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E.O. 12812  
OCT 21 1997











# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

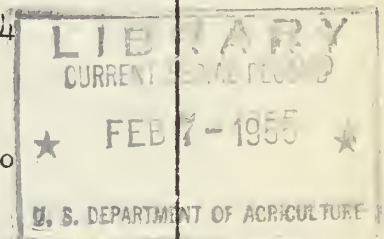
FT 1-55

January 27, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Birkhead Leaves on Far Eastern Survey Trip

Mr. James W. Birkhead of the Tobacco Division, Foreign Agricultural Service, left January 15 on an extended trip to gather information on tobacco production and trade in the Far East. He expects to visit the following countries:

Pakistan	Hong Kong
India	Philippines
Burma	Indonesia
Thailand	Australia
Indochina	New Zealand

Mr. Birkhead's observations will be printed in a series of Foreign Agriculture circulars after his return in April of this year.

### Denmark May Liberalize Imports of Dollar Tobacco

A recent press release by the Danish Minister of Commerce reported a list of commodities upon which dollar restrictions will be eased considerably. Among the commodities receiving preliminary consideration was unmanufactured tobacco. Final action is expected some time during this month.

# Southern Rhodesia's\* Tobacco Production Sets Record in 1954

The American Consul General at Salisbury reports that 1954 was a record year for flue-cured tobacco. Auction sales totaled 120.3 million pounds with a value of 53.5 million dollars. Increased yields per acre more than offset a slightly lower average price as shown in the following comparison of the past five years:

Year	Sold at Auction	Value <u>1/</u>	Average Price Per Pound	Acres Planted	Average Yield Per Acre
	1,000 pounds	1,000 dollars	U. S. cents	1,000 acres	pounds
1950	104,216	45,654	43.72	153	683
1951	89,474	35,911	40.13	168	533
1952	96,578	48,034	49.73	189	511
1953	105,152	48,478	46.10	177	594
1954	120,251	53,544	44.53	173 <u>2/</u>	697 <u>2/</u>

1/ Converted on the basis of \$2.79 per South Rhodesian L.

2/ Estimated.

The final purchases by markets were as follows:

Market	1953	1954
	1,000 pounds	1,000 pounds
United Kingdom	59,384	69,653
Australia	8,323	10,057
Local Markets	5,974	6,833
Other Markets	31,315	33,676
Unallocated	155	32

The 1955 tobacco crop, marketing of which will begin in late March, has been damaged by heavy rains. Early estimates that placed the crop at a probable 115.5 million pounds have been revised to 106.0 million pounds. Possible damage to quality of the remaining crop cannot be estimated this early.

The quality of the major portion of this crop was considered improved in both texture and body over previous crops. There were 59 million pounds of well-bodied leaf grades in this crop compared with an average of 42 million pounds during the previous six seasons. This was especially important in view of the emphasis that had been placed on British needs for well-bodied leaf instead of thin, highly-colored types by the Tobacco Advisory Committee of the United Kingdom.

\* A detailed background of the tobacco situation in the Rhodesian Federation can be found in Foreign Agriculture Circular FT 36-54..

# Spanish Tobacco Production Spreading to a New Area

The American Consulate at Bilbao, Spain reports an attempt is being made to increase production of tobacco along the Bay of Biscay coast in North Spain. Reports indicate that the new area has gained a sizeable group of tobacco growers and is being encouraged by the provincial government. Government aid is being given in the form of credit for dryer construction, cooperative seed plots, and assistance in getting their tobacco varieties classified by Spanish National Tobacco Service.

## Turkey's Leaf Exports to the United States Lower in 1954

Turkey's leaf exports to the United States are running below 1953. Exports through October this year were 21.3 million pounds lower than the 49.8 million pounds shipped during the same period in 1953. Shipments of tobacco in the period January-October 1954 were valued at 18.2 million dollars compared with 29.4 million dollars for tobacco shipped in the same period last year. November and December shipments have usually been very large (22.3 million pounds in 1953) but they would have to be double this to bring 1954 shipments up to the level of 1953.

The major factor affecting smaller shipments to the United States this year seems to be price and price uncertainties. Leaf from the 1953 crop which was sold and shipped this year was of lower quality than the preceding crop. Despite this, growers expected and received a higher price. The average value of Turkish tobacco shipped during January-October of 1954 was about 63.9 U.S. cents per pound compared to an average of about 61.5 U.S. cents per pound in 1953.

Earlier in the year buyers were made cautious by an assumed possibility that the Turkish Lira might be devalued. This seems to have slowed shipments in the early part of 1954. Later, optimistic reports of the 1954 crop which will be on sale in January 1955 may have further delayed commitments.

## Turkey: Exports of Leaf Tobacco to the United States; Quantity and Value <sup>1/</sup>

Month	:	1952	:	1953	:	Jan.-Oct. 1954	2/
	:	1,000	:	1,000	:	1,000	1,000
	:	pounds	:	dollars	:	pounds	dollars
January	:	4,438	:	2,782	:	1,360	771
February	:	5,198	:	2,806	:	3,867	2,289
March	:	3,216	:	1,699	:	8,129	4,815
April	:	1,860	:	1,042	:	3,653	2,574
May	:	12,151	:	6,084	:	6,846	3,898
June	:	3,144	:	1,772	:	9,722	5,579
July	:	0	:	0	:	6	4
August	:	231	:	121	:	2,381	1,331
September	:	2,983	:	1,720	:	4,117	2,277
October	:	3,289	:	2,106	:	9,739	5,821
November	:	8,957	:	5,599	:	10,803	7,703
December	:	8,413	:	5,021	:	11,493	7,315
Jan.-Oct. Totals <sup>3/</sup>	:	36,510	:	20,132	:	49,820	29,359
Yearly Totals <sup>3/</sup>	:	51,676	:	30,656	:	72,117	44,378

<sup>1/</sup> Converted on the basis of 35.4 U.S. cents per Turkish Lira. <sup>2/</sup> Ten-month preliminary figures. <sup>3/</sup> May not add to totals because of rounding.

# Netherlands Imports of United States Leaf

Netherlands imports of United States leaf increased during the first 9 months of 1954; 21.7 million pounds, compared with 19.7 million pounds for the same period in 1953. Leaf from other countries declined from 33.2 million pounds imported through September 1953 to 29.8 million pounds through September 1954.

During this period leaf from sources other than the United States increased in average price from 56.0 U.S. cents per pound in 1953 to 63.8 U.S. cents per pound in 1954, which may possibly explain the lower imports from other sources. In earlier years Dutch manufacturers had expressed the opinion that medium and lower grades of leaf in the United States were selling at higher prices than comparable substitute tobaccos that could be obtained elsewhere. This condition was reversed in the January-September period of 1954 when the price of leaf from the United States declined slightly to 47.1 U.S. cents per pound average compared with a price of 47.4 U.S. cents per pound for the same period in 1953. At the same time the average price paid for leaf from other countries increased.

Netherlands manufactures should hold up well in 1954. As yet there are no consumption figures available for 1954 but a small increase was expected, continuing the trend of past years. Foreign demand for Dutch tobacco products was also expected to hold up well. With usings of leaf at the same or a slightly higher level and lowered imports so far in 1954 Dutch year end stocks of tobacco will be reduced again this year. Imports of leaf for October-December 1954 would have to be much heavier than usual to prevent this.

## Netherlands: Imports of Leaf Tobacco from the United States by Type, Quantity and Value, January-September 1954

Type	Quantity		Value	
	1953	1954	1953	1954
	1,000	1,000	1,000	1,000
	pounds	pounds	dollars	dollars
United States:				
Virginia	16,224	17,295	7,618	8,172
Kentucky	2,926	2,804	1,480	1,439
Maryland	227	320	72	96
Burley	302	1,175	129	451
Other	57	93	53	61
U.S. Total	19,736	21,687	9,352	10,219
From other countries	33,238	29,775	18,601	18,989
Total	52,974	51,462	27,953	29,208

## French-Rhodesian Trade Agreement

A trade agreement was signed in May 1954 between France and the Rhodesian Federation which will greatly encourage the import of Rhodesian tobacco into France. The agreement binds France to allow the import of Rhodesian tobacco to the value of (U.S.) dollars 1,218,000. In return the Federation will allow the import from France of certain luxury products to the value of (U.S.) dollars 392,000. France expects to purchase flue-cured, dark fire-cured, sun-cured and Burley tobaccos.

## German Tobacco Production

German tobacco growers were allowed in 1954 to plant a larger acreage to each of the 3 major types of tobacco. Flue-cured acreage which was increased about 20 percent is expected to produce a disappointing crop, about 12 percent below the 1953 crop. Harvests of both Burley and cigar leaf are expected to be larger this year.

Production of flue-cured was reduced primarily by a poor growing season. The German Virginia-type plant has little resistance to either root rot or wildfire and the quality of the smaller 1954 crop was considerably lowered by these diseases.

### Germany: Tobacco Acreage and Production

Type	Area Harvested		Production <u>1/</u>	
	1953	1954 <u>2/</u>	1953	1954 <u>2/</u>
			1,000	1,000
	<u>acres</u>	<u>acres</u>	<u>pounds</u>	<u>pounds</u>
Flue-Cured <u>3/</u>	5,290	6,251	9,285	8,267
Burley	5,705	6,325	11,291	12,831
Other				
light Air-Cured <u>3/</u>	495	543	926	937
Cigar Leaf <u>4/</u>	12,175	13,264	26,191	33,069
Total	23,665	26,383	47,693	55,104

1/ Farm sales weight of cured leaf. 2/ Estimates as of November 1954.

3/ American-seed Virginia type, a portion of which is air-cured for use chiefly in pipe blends. 4/ Trade sources estimate that 80 percent is filler with about 10 percent each for binder and wrapper leaf.

## Bolivia Restricts Imports of Processed Cigarette Tobacco

The American Embassy at La Paz reports that no further licenses will be issued for the import of processed cigarette tobacco. Imports of processed tobacco are considered by the Ministry of National Economy as an unnecessary expenditure of dollar exchange. Present regulations call for the issuance of licenses only for the import of leaf tobacco for processing in domestic plants. In addition to conserving foreign exchange, this measure is designed to increase local employment.

Hong Kong Imports of Unmanufactured Tobacco

Shipments of unmanufactured tobacco into Hong Kong are holding up well this year. By the end of September 1954 nearly 6 million pounds had been received which compares favorably with the total of 8 million pounds imported during the entire year 1953. Imports of United States leaf for the first 9 months were 2.6 million pounds compared with 3.9 million for the year 1953.

Hong Kong: Imports of Unmanufactured Tobacco  
by Countries of Origin: Includes Cut Tobacco  
for Further Manufacture

Country	1952	1953	Jan.-Sept. 1954
	1,000 pounds	1,000 pounds	1,000 pounds
India .....	1,607	2,655	2,268
British Central Africa .....	15	58	406
United States .....	3,585	3,962	2,594
China .....	360	609	261
Others .....	302	767	465
Total .....	5,869	8,051	5,994

U. S. Exports of Unmanufactured Tobacco to Hong Kong:  
Quantity and Value

Type	1952	1953	Jan.-Aug. 1954
	1,000 pounds	1,000 pounds	1,000 pounds
	1,000 dollars	1,000 dollars	1,000 dollars
Flue-Cured	3,534	3,695	1,767
Burley	38	353	432
Total	3,572	4,048	2,199



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 2-55

February 1, 1955

## PRODUCTION OF CIGARETTES IN SPECIFIED COUNTRIES

A study of cigarette production in 35 leading countries of the Free World including the United States shows that production in these countries during 1953 was about double the 1936-40 average. It is possible that 1953 production was even higher as some estimates used in figuring the total were very conservative. Rates of increase varied considerably on a country by country basis. In Finland production increased only 30 percent during this period, from 4.0 to 5.2 billion, while in New Zealand it increased nearly six-fold from 0.4 to 2.3 billion in 1952. Pakistan, which produced no cigarettes in the prewar period, recorded 0.2 billion in 1949 and 4.0 billion in 1953. Rates of increase for other countries varied within these extremes.

The major factor in this overall rise has undoubtedly been the general improvement in world economic conditions. Cigarettes seem to have moved from the semi-luxury class into the position of necessities for large numbers of people. In line with this there has also been a consumer trend toward manufactured cigarettes at the expense of other tobacco products.

American-type blended cigarettes have achieved consumer preference in many of the countries studied. This is especially so in areas where American cigarettes were introduced by our soldiers or where war dislocations encouraged the import of our cigarettes. Postwar Germany is one of the best examples of this development. Prior to World War II, most of the cigarettes produced there were made of oriental tobacco; today, the American-type blended cigarette is the top seller in West Germany.

The United States is the world's largest producer of cigarettes and in 1953 manufactured 43 percent of the total of the countries studied. United States production also showed the greatest actual increase over the prewar period, from 174.1 billion average yearly production in 1936-40 to 423.1 billion in 1953, an actual increase of 249.0 billion cigarettes.

Several of the countries studied are still showing rapid rates of increase. Of these, Pakistan is the most prominent. This new nation increased production 1,900 percent in the 1950-53 period. Other countries in which production gained rapidly during the same period were as follows:

Canada	22 percent	West Germany	49 percent
Netherlands	22 percent	Venezuela	42 percent
France	15 percent	Japan	40 percent

# Production of Cigarettes in Specified Countries

Average 1936-40; Annual 1949-1953

Country	Average 1936-40	1949	1950	1951	1952	1953
	billion pieces	billion pieces	billion pieces	billion pieces	billion pieces	billion pieces
Canada	6.8	17.0	17.2	15.7	17.8	21.0
Mexico	17.6	1/	25.9	28.5	28.3	23.8
Nicaragua	.2	.5	.6	1/	1/	1/
Costa Rica	1/	.9	.9	.9	1/	1/
Cuba	4.9	8.0	8.1	8.3	9.0	8.7
Colombia	1/	9.1	10.3	11.2	1/	1/
Venezuela	1/	1.9	1.9	2.0	2.5	2.7
Chile	3.4	5.0	5.5	4.9	5.2	5.4
Brazil	14.4	29.0	29.5	1/	1/	1/
Argentina	9.0	13.4	13.0	13.6	1/	1/
Sweden	1.9	3.4	3.9	4.3	4.5	4.5
Norway	.9	1.2	1.3	1.1	1.2	1.3
Denmark	1.5	3.5	4.0	3.5	3.9	4.0
United Kingdom	81.8	102.9	103.5	111.5	110.8	111.0
Ireland	3.0	5.1	5.3	6.0	5.8	1/
Netherlands	4.3	6.5	8.2	8.8	9.1	10.0
Belgium	5.8	8.4	9.4	9.3	8.7	8.8
France	19.0	27.3	31.2	35.6	33.8	36.0
West Germany	27.0 2/	22.0	23.7	27.2	30.2	35.4
Austria	5.5	4.3	6.0	6.7	7.1	7.1
Switzerland	2.2	6.2	6.8	7.0	7.5	7.7
Finland	4.0	4.2	3.5	4.7	5.2	5.2
Spain	3.9	9.5	9.8	9.7	11.6	1/
Portugal	1.0	2.9	3.1	3.3	3.6	3.6
Italy	19.1	28.5	31.1	32.5	33.8	37.3
Turkey	9.7	15.1	15.2	16.7	17.7	1/
Israel	.7	.9	1.5	2.0	2.0	2.0
Pakistan	1/	.2	1.5	2.7	3.2	4.0
Philippines	3.1	1.9	7.5	9.0	11.4	13.3
South Korea	6.1	6.0	4.3	7.0	11.7	14.3
Formosa	1.6	2.8	5.1	6.1	7.6	7.7
Japan	48.0	58.4	64.5	75.0	82.2	90.2
Australia	2.9	4.5	4.7	1/	1/	7.2
New Zealand	.4	1.7	1.9	2.1	2.3	1/
Estimated Total	316.1	438.1	469.2	511.7	530.1	569.3
U.S.A.	174.1	385.0	392.0	418.8	435.5	423.1
Estimated Total Including U.S.A.	490.2	823.1	861.2	930.5	965.6	992.4

1/ Not available.

2/ 1938 estimated

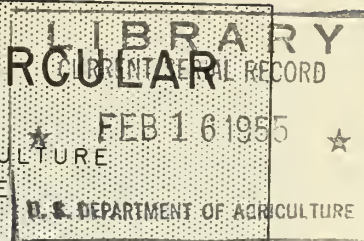
Note: For countries where information on number of pieces is not available, conversions from pounds were made on the basis of 1,000 cigarettes - 2.2 pounds.

Source: For 1936-40 averages, Food and Agriculture Statistical Bulletin Commodity Series No. 20, Rome, October 1952; subsequent years from consular information, official statistics of the various countries, and estimates prepared in Foreign Agricultural Service.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 3-55

February 4, 1955

## TOBACCO PRODUCTION AND CONSUMPTION IN HAITI 1/

Tobacco was grown in Haiti before the Western Hemisphere was discovered. The original variety or type has been crossed with Cuban, Puerto Rican, and several dark air-cured varieties from the United States. Although there have been many experiments from time to time to produce a type of tobacco suitable to the soil and climate of Haiti, these were not carried out to the point of establishing any particular type by eliminating the most undesirable varieties. Most of the tobacco is of poor quality but a small proportion is of very good quality.

Ninety-five percent of the tobacco produced in Haiti is handled in a very primitive way. It is stalk cut or the leaves are primed and dried by use of the same methods that are employed by producers of cigar tobacco in Cuba. Facilities for handling and curing are very poor. After the tobacco is dried it is fermented by the producer. The fermentation process is very complicated and a large percentage of the tobacco is damaged.

The farmer usually sells his tobacco at an overall average price for the entire crop without sorting the leaf into grades. Prices received by the farmers range from about 10 cents to 43 cents per pound. Tobacco buyers may grade part of their purchases into good and poor quality tobacco. The better-quality tobacco is sold to cigar or cigarette manufacturers and the remainder is sold to merchants and to peddlers who then sell this leaf in various market places and stores. A large part of the tobacco sold at the market places becomes musty or badly damaged before it is sold, since water is frequently sprinkled on the tobacco to make it weigh more and improve its appearance.

Tobacco is grown in fields ranging from small patches to an area of several acres per farm and is produced on thousands of small farms that are widely scattered throughout the country. The most important producing districts are Monte Rouis on the west coast south of St. Mars, the Plateau and hillsides near St. Raphael in the south central part of the island, and the valley of Foris Riveres south of Port de Paix. The sandy clay and sandy loam sandy loam soils in these districts are well adapted to the production of tobacco. Most of the tobacco is grown for home consumption or delivered to farm markets where other farm produce is sold. Partly because of this, the location of the tobacco "patch" or field is based largely on convenience to the farmer rather than the soils that would produce a high-quality product. However, soils of the types that would produce good-quality tobacco are available and climate is similar to that of other Caribbean islands where good cigar tobaccos are produced. But unless types of tobacco are developed that are suitable for the various kinds of soil and better methods of handling and marketing are devised, production of tobacco will likely continue to be small in Haiti. Furthermore, credit available to tobacco producers

1/ Based on a report by S. J. Adams, Tobacco Specialist, Commodity Stabilization Service, Caribbean Area Office.

is very limited and interest rates are high. This hampers production of tobacco, especially by the small producers. Limited experiments to improve tobacco production are being carried out on government experimental farms. Some very good cigar tobacco, that burns well and has a pleasant aroma and taste, is produced on farms controlled by the Regie Du Tabac and this company manufactures cigars made from this tobacco.

There are no reliable figures on tobacco production in Haiti, but it is estimated that 7 million pounds were produced in 1948 and 1949 and that production had decreased to 2 million pounds in 1954. Eighty-five percent of production is consumed locally without being processed commercially and is used largely as pipe tobacco, cigar, snuff and chewing tobacco.

The Republique d'Haiti Regie du Tabac, a government monopoly, controls the tobacco industry in Haiti, including imports and exports as well as the wholesale and retail prices of all tobacco products sold. Profits of the Regie were originally intended to provide a fund for improving the production and marketing of tobacco, but these profits are now put into the general funds of the treasury. Limited programs are in operation, mostly on government experiment farms for improving varieties of seeds, methods of cultivation and the handling and marketing of tobacco.

Consumers have shown a decided preference for milder, brighter tobaccos from the United States. Since most users of tobacco who can afford to purchase tobacco in manufactured form are cigarette smokers, blends of U. S. tobaccos for cigarettes are increasing in popular demand. The various brands of cigarettes manufactured contain from 10 to 100 percent United States tobacco. The two largest manufacturers of cigarettes in Haiti are at the present time using blends which contain 100 percent U. S. tobacco and these cigarettes account for 98 percent of the total sales of these two companies. Locally manufactured cigarettes are priced from 10 cents to 20 cents per pack of 20 cigarettes, compared with 30 cents per pack for popular brands of imported U. S. cigarettes. Sales of blended machine-made cigarettes have increased from approximately 52 million pieces in 1936-40 to 175 million in 1953-54.

Cigar smoking is increasing but the amount of tobacco used in manufactured cigars is very small in proportion to total production. All cigars are hand made, and retail for 2 cents to 20 cents each but most of the sales are brands retailing for 5 cents each. In 1949 approximately 600,000 cigars were manufactured and there has been a steady increase to 1,195,000 cigars in 1953.

Tobacco production in Haiti is decreasing each year although the consumption of tobacco is increasing. This is largely due to (1) a preference for the milder tobaccos imported from the United States, (2) insufficient credit for the improvement and expansion of domestic production tobacco, (3) the lack of improved varieties adaptable to the soil and climate of Haiti, and (4) use of poor methods of production and marketing.

Haiti has the soil, climate and labor for the production of good cigar tobacco but the other elements necessary for successful production of high-quality tobacco on a commercial scale have not been developed. Tobacco is not considered a commercial crop with the degree of importance given to coffee, sisal, bananas, sugarcane, cacao, rice, and cotton and therefore probably will not be given the support necessary to improve and expand output at least in the next few years.

In the first eleven months of 1954 a total of 198,000 pounds of leaf tobacco was shipped to Haiti from the United States. More than two-thirds of this was flue-cured tobacco, and all the rest was Burley, except for 1,000 pounds of cigar wrapper. Shipments of both flue-cured and Burley tobacco in 1954 were up from the two previous years and were well above the 1947-51 level. No shipments of Kentucky-Tennessee fire-cured leaf to Haiti have been reported in 1954, although 1953 shipments totaled 300,000 pounds.

United States exports of cigarettes to Haiti have shown a downward trend from the 1947-51 level of 84.6 million pieces as local manufacturers have increased their production. In the January-November 1954 period shipments totaled 35.8 million pieces.

Significant quantities of smoking tobacco in bulk are imported from the U.S. with a total of 458,000 pounds being shipped in the first eleven months of 1954 as compared to 548,000 pounds in 1953 and 239,000 pounds in the 1947-51 period. Much of this tobacco is used in the manufacture of cigarettes.

Because of the strong demand for American type blended cigarettes the outlook for exports of cigarette types of U. S. tobacco and of semi-processed tobacco for use in manufacturing cigarettes is encouraging.

U. S. Exports of Unmanufactured Tobacco by Type to Haiti,  
Average 1947-51, Annual 1952-1953 and January-November 1954

Type	: 1947-51 :	1952	: 1953 1/ :	Jan.-Nov.
	: 1,000 :	1,000	: 1,000 :	1954 1/
	: <u>pounds</u> :	<u>pounds</u>	: <u>pounds</u> :	<u>pounds</u>
Flue-Cured	: 93 :	106	: 74 :	135
Burley	: 32 :	46	: 29 :	62
Kentucky-Tennessee Fire-Cured:	: 4 :	99	: 300 :	-
Cigar	: 3 :	2	: 3 :	1
Other	: 10 :	17	: - :	-
Total	: 142 :	270	: 406 :	198

1/ Preliminary. Compiled from records of the Bureau of the Census.

U. S. Exports of Tobacco Products to Haiti, Average 1947-51,  
Annual 1952-1953 and January-November 1954

Class of Products	: 1947-51 :	1952	: 1953 1/ :	Jan.-Nov.
	: 84.6 :	62.2	: 23.8 :	1954 1/
Cigarettes (million pieces)	: 2 :	-	: - :	-
Cigars and Cheroots (1,000 pieces)	: 238 :	486	: 536 :	458
Smoking Tobacco in Bulk (1,000 pounds):	: 1 :	2	: 12 :	-
Smoking Tobacco in Packages (1,000 pounds)	: 1 :	2	: 12 :	-

1/ Preliminary. Compiled from records of the Bureau of the Census.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

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FEBRUARY 7, 1955  
U.S. DEPARTMENT OF AGRICULTURE

FT 4-55

## Tobacco Production and Trade of Jamaica 1/

### Summary

Jamaica is one of the more important islands of the British West Indies in the Caribbean Area and has been noted for the production of high-quality cigars. However, production of tobacco and exports of cigars have recently declined sharply and imports of cigarette leaf for domestic production of cigarettes continued upward. Most of the leaf imports (mostly flue-cured) are from Canada with practically none from the United States, chiefly because the import duty is 21.6 cents per pound lower on leaf from British Commonwealth areas than it is on tobacco from other areas.

### Production

Tobacco has been produced in Jamaica ever since the discovery of the Western Hemisphere. The history of the production of tobacco in Jamaica has been characterized by a series of ups and downs influenced by war conditions and special interests, both governmental and private. In 1937 the government supported a plan to improve the tobacco industry of Jamaica. As a part of the plan, efforts were made to develop better types of tobacco and to improve methods of cultivation. A system of financing was set up to enable producers to improve facilities and production methods. A standard grading system was established with the requirement that all tobacco for export be graded.

During the period from 1937 to 1948 considerable progress was made in producing improved types of tobacco and the industry had a tremendous growth. The value of tobacco products exported in 1947 was about 49 times as great as the value of foreign shipments in 1937. In 1947-48 over 6,000 acres of tobacco were harvested, but the area has since decreased sharply to only 1800 acres in 1953-54. Production in 1953-54 was only 778,000 pounds, less than 29 percent of the 1947-48 output of 2,710,000 pounds. Thus, the well developed tobacco industry in Jamaica has been rapidly declining since 1948. Some of the larger producers continue to supply high-grade tobacco, but the small producers who get very little financing and supervision are finding it difficult to stay in business.

In 1949 a Tobacco Leaf Development Company was organized in Jamaica by existing British and Jamaican tobacco companies for the

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1/ Based on a report by S. J. Adams, Tobacco Specialist, Commodity Stabilization Service, Caribbean Area Office.

purpose of improving the quality and quantity of tobacco grown. Large sums of money were invested in farms and equipment and tobacco was grown on company-owned land as well as by independent growers under contract. The Company has been endeavoring to develop a type of flue-cured tobacco adapted to the local soil and climatic conditions. However, the results of these efforts have not been encouraging. The flue-cured tobacco produced has plenty of color, but is dry and beardy in texture and does not have the necessary burning or taste qualities. The Company is now liquidating part of its holdings and decreasing its operations. It is expected that the experiments on flue-cured tobacco will be discontinued.

Tobacco is grown throughout the country. Methods of producing, processing, and marketing tobacco at the present time range from the most primitive used by small growers producing for home consumption to very modern methods used on large farms under the supervision of tobacco company specialists. The soils and climate of parts of Jamaica are adapted to the production of good-quality cigar tobacco. The best land for tobacco is in the parishes of Clarendon and Manchester where the soil is a dark gray sandy loam. At the present time fertilizers are not used except on experimental plots and yields range from 400 to 900 pounds per acre.

#### Kinds and Quality of Leaf

Most of the leaf grown is cigar filler and binder tobacco. Small amounts of flue-cured tobacco and cigar wrapper are grown on an experimental basis. Although wrapper tobacco can apparently be produced in Jamaica, the lack of capital and experience in production of this type have limited its expansion. As previously mentioned, results of experiments on flue-cured tobacco have been disappointing.

For many years significant quantities of low-quality mixed varieties of native pipe tobacco known locally as "cow tongue" have been produced in Jamaica. This tobacco is used for producing "jackass rope," a twisted leaf tobacco sold in local markets and used by rural and low-income groups for smoking, chiefly in pipes. Since this tobacco does not enter regular trade channels or appear on government excise reports, accurate data on acreage and production are not available. However, it is estimated that approximately 100,000 pounds of this leaf were harvested in 1951.

A large proportion of the cigar tobacco is grown on land owned or controlled by tobacco companies and leased to the producers on a share crop basis. This leaf is of good quality and is very similar to Cuban tobacco. It is not as desirable as Cuban leaf for blending with other tobaccos because it is milder and less aromatic. However, because of its mildness and smoothness of taste it can be used to make good cigars without blending.

The quality of the 1953-54 crop was below normal throughout most of the country as the result of extensive rains in December and January. The tobacco was milder and thinner in texture than usual and much of it was damaged in curing and processing. However, because of a declining market, there were sufficient quantities of good tobacco to supply the demand.

Jamaica: Production of tobacco by kind, 1946-47 through 1950-51 and 1953-54

Kind	1946-47	1947-48	1948-49	1949-50	1950-51	1953-54
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
Cigar wrapper	1/	1/	1/	1/	1/	3
Cigar filler and binder	1,800	2,710	2,565	2,500	1,520	600
Flue-cured	1/	1/	1/	1/	1/	75
Cow tongue	1/	1/	1/	1/	1/	100
(native pipe tobacco)						
Total	1,800	2,710	2,565	2,500	1,520	778

1/ Not available.

Source: Reports from Agricultural Attaches and other U. S. representatives abroad,

#### Production of Cigars

While recent data on total output of cigars are not available, indications are that production has declined substantially since 1948. All cigars are produced with hand labor and the cost of production is comparatively low. Most of the cigar makers are women and they are paid on a piece work basis. Wages range from \$1.25 to \$2.50 per eight-hour day, depending on the number and quality of cigars made. Labor is plentiful and workmanship above average. One of the important cigar manufacturing companies is Nachado Limited, a British-owned company which also produces all the cigarettes manufactured in Jamaica.

#### Exports of Tobacco and Tobacco Products

Most of the exports of tobacco are in the form of cigars which are shipped to the United Kingdom. However, there are limited foreign shipments of unmanufactured tobacco as well as cigarettes and other tobacco products. Export of cigars in 1953 totaled almost 11.7 million pieces, valued at \$1.3 million. Exports of small quantities of leaf and other tobacco products raised the total value of tobacco exports in 1953 to \$1.4 million.

Jamaican cigar exports have been decreasing and in 1953 were nearly 60 percent below the high point of 28.2 million in 1948. The sharpest decline occurred from 1947 to 1949 when exports dropped to 13.1 million pieces. One of the primary factors causing the decline was a change in British import duties affecting Jamaican tobacco. Between 1940 and 1948 the preferential duty per pound of tobacco imported by the United Kingdom from Jamaica was almost tripled. At the same time the ratio of preference as a percentage of general duty was lowered from 15 percent to 4.35 percent. Another factor contributing to the decline in exports was the fact that trade agreements between England and Cuba encouraged England to sell more manufactured products in Cuba and to take more Cuban tobacco in exchange.

The impact of these developments has resulted in a sharp reduction in the output of Jamaican tobacco. The shift in Jamaica toward more cigarette smoking without a proportionate shift in production from cigar to cigarette types has been an additional depressing influence.

Jamaica: Exports of tobacco and tobacco products, 1946.-1953

Year	: Unmanufactured:	:	:	:	:
	Leaf	:	Cigars	Cigarettes	Other
	1,000	:	1,000	1,000	1,000
	<u>pounds</u>	:	<u>pieces</u>	<u>pieces</u>	<u>pounds</u>
1946	-	:	15,036	1/	1/
1947	-	:	28,200	1/	1/
1948	-	:	16,400	1/	1/
1949	-	:	13,139	1/	1/
1950	397	:	15,037	1,300	1/
1951	220	:	14,856	1/	1/
1952	138	:	13,818	1,395	15
1953	112	:	11,670	1/	1/

1/ Not available.

Source: Reports from Agricultural Attaches and other U. S. representatives abroad, results of office research and other information.

Imports of Tobacco and Tobacco Products

Fairly large quantities of leaf are imported by Jamaica, including tobacco from Canada with small quantities, mostly flue-cured, from the United States. Small amounts of cigar wrapper are imported from Cuba, but the quantities taken from this area continue to decline. The cigarette blends contain from 10 percent Canadian and 90 percent domestic tobaccos to 100 percent Canadian tobacco. While flue-cured tobacco from the United States is preferred in the blended cigarettes, the shortage of dollars and lower cost of Canadian tobacco have diminished the use of United States tobacco to an insignificant amount. Canadian flue-cured is used instead of U. S. leaf chiefly because the import duty on British Commonwealth leaf is 21.6 U. S. cents lower per pound than is the duty on U. S. tobacco.

The amount of cigarette leaf imported is likely to continue to rise, but the United States probably will not be able to increase shipments to this area.

Jamaica: Imports of unmanufactured tobacco  
by country of origin, 1946-1953

Year	Canada	United States	Cuba	Other	Total
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
1946	1,071	9	51	5	1,136
1947	1,180	78	73	48	1,379
1948	1,204	38	91	-	1,333
1949	799	1	128	-	928
1950	899	5	48	-	943
1951	970	6	81	18	1,075
1952	1,119	7	69	-	1,195
1953	1,030	37	29	-	1,096

Source: Reports from Agricultural Attaches and other U. S. representatives abroad, results of office research and other information.

Jamaica imports fairly large quantities of cigarettes, with the United Kingdom supplying the greater part of the total and the United States furnishing all the remainder. In 1952, (the most recent data available) imports totaled 43,387 pounds of cigarettes, almost 80 percent of which came from the United Kingdom. Imports in 1952 were well above the 4 previous years, but were only about one-half the level of 1947 when imports reached 82,680 pounds.

According to records of the United States Bureau of the Census, 12.9 million cigarettes were shipped to Jamaica from the United States in 1953 as compared to 9.7 million in 1952 and an average of 12.1 in the 1947-51 period. Shipments in the first 11 months of 1954 totaled 12.4 million cigarettes. No significant quantities of other tobacco products have been shipped from the United States to Jamaica in recent years.

Jamaica: Imports of cigarettes by country of origin, 1947-1952

Country	1947	1948	1949	1950	1951	1952
	pounds	pounds	pounds	pounds	pounds	pounds
United Kingdom	27,867	16,267	25,522	13,865	21,141	34,575
United States	54,071	1,763	4,640	5,524	16,023	8,812
Other	742	-	-	12	-	-
Total	82,680	18,030	30,162	19,401	37,164	43,387

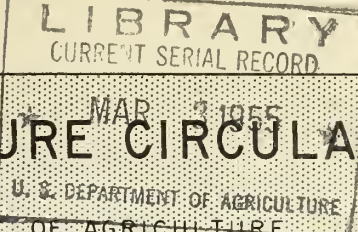
Source: Handbook of Jamaica, 1954





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 5-55

February 8, 1955

## UNITED STATES UNMANUFACTURED TOBACCO EXPORTS HIGHER IN THE 1953-54 CROP YEAR 1/

Exports of unmanufactured tobacco during the 1953-54 crop year 1/ totaled 461.0 million pounds or 3.6 percent above the 445.1 million pounds exported in 1952-53. The average postwar crop year (1947-48 through 1951-52) unmanufactured tobacco exports were 464.6 million pounds as compared with the prewar average (1934-35 through 1938-39) of 429.7 million pounds.

Exports of unmanufactured tobacco during the 1953-54 crop year show increases in flue-cured, Burley, Maryland, Green River and Black Fat. There were decreases in all other types of tobacco. Larger shipments of flue-cured leaf to the United Kingdom in 1953-54 account for some of the increase in total exports. Exports of Burley tobacco increased about 20 percent over the 1952-53 crop year. This can be accounted for by increased shipments to France, Italy, Mexico, the Netherlands and Portugal.

### UNITED STATES: Exports of tobacco, by types, 1953-54 crop year with comparisons 1/ 2/ (Declared Weight)

Type	: Average : 1934-35- : 1938-39	: Average : 1947-48- : 1951-52	: : 1952-53 <u>3/</u> :	: : 1953-54 <u>3/</u> :
	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Flue-Cured .....	318,865	372,052	368,727	382,692
Burley .....	10,900	29,969	25,163	30,177
Maryland .....	5,189	7,495	7,505	7,674
Virginia fire-cured .....	9,503	<u>4/</u> 5,651	<u>4/</u> 4,655	<u>4/</u> 4,360
Ky.-Tenn. fire-cured .....	51,389	24,073	21,344	20,641
One Sucker .....	886	2,963	1,189	952
Green River .....	3,030	1,871	1,583	1,894
Cigar Leaf .....	1,380	9,895	8,127	5,547
Black Fat .....	8,974	4,454	3,474	4,124
Perique .....	129	62	88	52
Trimnings, Stems & Scrap.:	19,497	6,160	3,197	2,927
Total .....	429,742	464,645	445,052	461,040

See footnotes at end of circular.

UNITED STATES: Exports of unmanufactured tobacco by principal countries of destination, crop year 1953-54 1/2

Country of Destination	(Declared Weight)															Total
	Flue-Cured	Burley	Kentucky-Tennessee	Virginia: Fire-Cured	Virginia: Sun-Cured	Maryland	Green River	One Sucker	Black Fat	Cigar Wrapper	Cigar Binder	Cigar Filler	Perique	Trimings, Stems & Scrap		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds		
Algeria & Tunisia																
Australia	402	78	139	31	-	324	-	-	-	26	-	20	-	-		
Austria	24,633	218	15	225	-	18	-	-	-	1	25	-	-	16		
Belgium	1,812	365	28	64	-	-	-	-	-	20	183	-	-	-		
British East Africa & Mauritius	7,272	2,458	872	24	-	371	131	110	-	433	295	21	-	31		
Cameroon	905	-	-	-	-	-	-	-	-	-	-	-	-	-		
Canada	7	25	407	-	-	-	22	-	121	-	-	-	-	-		
Ceylon	29	-	28	-	-	-	-	-	-	366	197	12	-	46		
Denmark	781	-	-	-	-	-	-	-	-	90	-	-	3	871		
Egypt	10,428	521	749	29	-	25	-	-	-	113	131	-	2	238		
El Salvador	4,893	860	75	-	-	-	-	-	-	-	-	-	-	-		
Finland	550	-	-	-	-	-	-	-	-	-	-	-	-	-		
France	6,754	861	175	54	-	-	-	-	-	1	-	-	-	-		
French Morocco	2,243	1,426	5,727	17	-	111	198	320	-	244	5	-	-	-		
French West Africa	88	6	642	26	-	-	-	10	587	-	-	-	-	-		
Germany, West	54,971	4,376	875	152	-	497	-	7	919	1,642	634	-	-	204		
Gold Coast	-	-	365	-	-	-	-	-	-	-	-	-	-	-		
Hong Kong	2,806	564	-	-	-	-	-	-	-	-	-	-	-	-		
India	1,028	37	-	28	-	-	-	-	-	1	-	-	-	-		
Indochina	3,190	22	50	-	-	-	-	-	-	8	-	110	-	-		
Indonesia	13,834	-	523	-	-	-	-	-	-	-	-	-	-	-		
Ireland	17,569	-	318	56	-	-	3	-	-	-	-	-	-	-		
Italy	1,021	2,410	419	48	-	-	-	-	-	-	-	-	-	1		
Japan	8,414	-	-	-	-	-	-	-	-	-	-	-	-	-		
Kaia Gozo & Cyprus	1,091	-	58	-	-	-	-	-	-	-	-	-	-	-		
Mexico	1,405	3,536	-	-	-	34	-	-	-	-	-	-	-	-		
Netherlands	29,095	2,015	4,326	251	-	345	510	92	-	139	157	31	-	244		
New Zealand	6,253	10	174	209	-	-	-	-	-	2	1	-	-	-		
Nigeria	877	-	95	5	-	8	13	350	2,295	-	-	-	-	-		
Norway	4,385	741	-	1,885	48	-	-	1	-	4	-	-	-	380		
Pakistan	1,832	-	-	-	-	-	-	-	-	-	-	-	-	-		
Philippines, Republic of	19,414	886	-	-	-	-	-	-	-	-	-	-	-	-		
Portugal	3,397	4,593	210	46	-	-	3	-	-	36	-	-	-	-		
Spain	1,946	123	-	-	-	392	-	-	-	-	-	-	-	-		
Sweden	7,043	1,406	759	627	-	-	-	-	-	17	186	-	-	300		
Switzerland	3,068	663	1,905	309	-	4,837	-	-	-	61	-	-	-	691		
Tangier	-	-	-	-	-	-	-	-	-	8	-	-	-	41		
Thailand	5,488	-	-	4	-	-	-	-	-	-	-	-	-	284		
United Kingdom	126,315	91	421	145	-	-	968	-	7	-	4	-	-	5,492		
Yugoslavia	641	608	27	-	-	589	-	-	-	13	-	-	44	11		
Other Countries	6,795	1,278	1,254	81	1	322	46	62	115	240	39	31	1	237		
Total	382,692	30,177	20,641	4,311	49	7,674	1,894	952	4,124	3,465	1,857	225	52	2,927		
														461,040		

1/ July 1953 - June 1954 for flue-cured, October 1953 - September 1954 for all other types. 2/ Preliminary.  
Compiled in the Foreign Agricultural Service from records of the Bureau of the Census.

Flue-cured. Exports of this type of leaf during the 1953-54 crop year (July-June) totaled 382.7 million pounds, or 3.8 percent above the 368.7 million pounds exported in 1952-53. The United Kingdom, the most important export outlet, took 126.3 million pounds compared with 102.9 million pounds in the 1952-53 crop year, about a 23 percent increase. However, exports of flue-cured tobacco to the United Kingdom have dropped considerably below the prewar and postwar averages of 203.1 million pounds and 158.2 million pounds, respectively. Germany, the second most important flue-cured market in 1953-54, took 54.9 million pounds, a 22.4 percent decrease from the 1952-53 crop year takings of 70.9 million pounds.

There were increased takings in the 1953-54 crop year by Australia, Denmark, Egypt, Finland, Indonesia, Ireland, the Netherlands, New Zealand and Sweden. The greatest decreases occurred in exports to France, Germany, Italy, Japan and the Republic of the Philippines.

UNITED STATES: Exports of flue-cured tobacco, crop year 1953-54  
with comparisons, by country of destination 2/  
(Declared Weight)

Country of Destination	Averages		1952-53	1953-54
	1934-35- 1938-39	1947-48- 1951-52		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Argentina	871	914	0	0
Australia	18,233	18,939	22,156	24,633
Austria 5/	20	3,301	2,103	1,812
Belgium	3,575	15,073	8,371	7,272
British East Africa and Mauritius	178	1,204	1,087	905
Ceylon	874	1,011	1,161	781
China	6/36,451	5,419	0	0
Denmark	2,237	6,946	6,510	10,428
Egypt	854	2,493	3,824	4,893
El Salvador	35	557	599	550
Finland	1,021	1,949	2,287	6,754
France	1,210	1,780	4,322	2,243
Germany 5/	4,012	41,284	70,908	54,971
Hong Kong	1,574	4,546	3,606	2,806
India and Pakistan 7/	2,690	6,848	3,464	2,860
Indochina	136	1,720	2,619	3,190
Indonesia	1,810	7,474	12,489	13,834
Ireland	6,108	17,267	10,551	17,569
Italy	98	3,449	4,436	1,021
Japan	5,540	8/620	12,025	8,414
Malta, Gozo, and Cyprus	278	1,078	1,233	1,091
Netherlands	6,772	22,220	28,333	29,095
New Zealand	2,449	5,444	5,880	6,253
Nigeria	169	944	696	877
Norway	2,095	4,381	4,450	4,385
Philippines, Republic of	623	10,226	22,952	19,414
Portugal	768	3,217	3,738	3,397
Soain	146	455	652	1,946
Sweden	3,265	6,187	6,425	7,043
Switzerland	174	4,025	3,014	3,068
Thailand	3,099	3,731	6,624	5,488
United Kingdom	203,053	158,189	102,894	126,315
Other Countries	8,447	9,161	9,318	9,384
Total	318,865	372,052	368,727	382,692

See footnotes at end of circular.

Burley. Exports of Burley tobacco, totaling 30.2 million pounds for the 1953-54 crop year, were about 20 percent larger than those for the previous year. During 1953-54, Portugal, the most important market outlet, took 4.6 million pounds compared with 2.9 million pounds in 1952-53. Germany, the second most-important outlet, took 4.4 million pounds. Exports to France increased from 707,000 pounds in 1952-53 to 1.4 million pounds in 1953-54. There was a sharp increase in exports to Italy -- 2.4 million pounds in the 1953-54 crop year, compared with 582,000 pounds in the previous crop year. There were decreased shipments to Austria, Belgium, Denmark, Republic of the Philippines, Sweden and Switzerland.

UNITED STATES: Exports of Burley tobacco, crop year 1953-54  
with comparisons by country of destination 2/

Country of Destination	(Declared Weight)			
	Averages		1952-53	1953-54
	1924-35--	1947-48--	1952-53	1953-54
	1938-39	1951-52	3/	3/
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Algeria and Tunisia	212	212	78	78
Argentina	165	480	0	0
Australia	572	136	13	218
Austria <u>5/</u>	17	971	850	365
Belgium	2,454	3,503	2,653	2,458
Denmark	854	1,585	1,081	521
Egypt	22	873	914	860
Finland	72	285	507	861
France	214	412	707	1,426
Germany <u>5/</u>	474	7,495	4,206	4,376
Italy	242	526	582	2,410
Mexico	99	1,165	2,146	3,536
Netherlands	982	2,247	948	2,015
Norway	412	1,164	695	741
Philippines, Republic of	5	531	1,314	886
Portugal	2,383	4,500	2,852	4,593
Sweden	499	1,571	2,290	1,406
Switzerland	46	529	1,071	663
United Kingdom	262	554	421	91
Other Countries	914	1,230	1,835	2,673
Total	10,900	29,969	25,163	30,177

See footnotes at end of circular.

Maryland. Exports of Maryland tobacco, totaling 7.7 million pounds in 1953-54, were slightly larger than the 7.5 million pounds shipped out in 1952-53. Switzerland, the largest outlet for Maryland leaf, took 8.3 percent less than in 1952-53.

UNITED STATES: Exports of Maryland tobacco  
crop year 1953-54 with comparisons  
by country of destination 2/

Country of Destination	(Declared Weight)			
	Averages		1952-53	1953-54
	1934-35-	1947-48-	3/	3/
	1938-39	1951-52		
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Algeria and Tunisia	330	384	0	324
Belgium	395	241	237	371
France	657	261	0	0
French Morocco	49	457	202	111
Germany 5/	195	321	274	497
Netherlands	1,776	450	396	346
Spain	22	114	227	392
Switzerland	1,412	5,063	5,272	4,837
Yugoslavia	0	0	749	589
Other Countries	353	204	148	207
Total	5,189	7,495	7,505	7,674

See footnotes at end of circular.

Virginia Fire-cured tobacco exports during the 1953-54 crop year totaled 4.3 million pounds -- 5.3 percent below the 4.5 million pounds exported in 1952-53 and 23.1 percent below the postwar average of 5.6 million pounds. Norway, the chief 1953-54 outlet, took 1.9 million pounds. There were increased takings by Australia, the Netherlands, New Zealand, Sweden and Switzerland.

UNITED STATES: Exports of Virginia Fire-cured tobacco, crop year 1953-54  
with comparisons by country of destination 2/  
(Declared Weight)

Country of Destination	(Declared Weight)			
	Averages		1952-53	1953-54
	1934-35-	1947-48-	3/	3/
	1938-39	1951-51		
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Australia	237	146	158	225
Austria 5/	92	311	292	64
Belgium	419	247	8	24
Germany 5/	1,093	315	327	152
Netherlands	459	465	128	251
New Zealand	273	261	187	209
Norway	2,024	1,685	1,973	1,885
Sweden	1,030	650	603	627
Switzerland	121	512	250	309
Trinidad & Tobago	60	126	109	45
United Kingdom	1,500	406	279	145
Other Countries	2,195	476	236	375
Total	9,503	5,608	4,550	4,311

See footnotes at end of circular.

Kentucky-Tennessee Fire-cured leaf exports for the 1953-54 crop year totaled 20.6 million pounds, compared with 21.3 million pounds in 1952-53. Exports for 1953-54 were also 14.4 percent below the postwar average. The largest increase in 1953-54 was in exports to France, which totaled 5.7 million pounds, compared with 1.7 million pounds in 1952-53. There were increased takings by Belgium, Denmark and Germany. Exports to most other countries decreased, particularly to such important markets such as the Netherlands, Sweden and Switzerland.

UNITED STATES: Exports of Kentucky-Tennessee Fire-cured tobacco crop year 1953-54 with comparisons by country of destination 2/

(Declared Weight)				
Country of Destination	Averages		1952-53	1953-54
	1934-35-	1947-48-	3/	3/
	1938-39	1951-52		
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Algeria and Tunisia	772	826	244	139
Belgium	4,867	2,078	676	872
Canary Islands and Spanish Africa	564	197	173	109
Denmark	1,099	577	577	749
Egypt	266	184	154	75
France	18,320	4,329	1,720	5,727
French Africa 9/	642	891	878	1,069
Germany 5/	3,366	1,133	547	875
Gold Coast and Nigeria	122	351	543	370
Ireland	737	711	617	318
Italy	476	876	623	419
Malta, Gozo and Cyprus	141	52	24	58
Netherlands	4,646	4,324	5,301	4,326
Norway	543	340	480	95
Portugal	1,139	414	229	210
Sweden	2,339	1,377	1,632	759
Switzerland	2,113	2,387	2,541	1,905
United Kingdom	2,746	1,247	481	421
Other Countries	6,491	1,779	3,904	2,145
Total	51,389	24,073	21,344	20,641

See footnotes at end of circular.

One Sucker exports in 1953-54 totaled 952,000 pounds, compared with 1.2 million pounds in 1952-53. A 56 percent decrease in exports to Nigeria account for most of the drop. Exports to Nigeria have continued to decrease since 1951-52. The reason for this appears to be greatly expanded domestic production of leaf which indicates that U.S. exports to this area will be greatly curtailed, if not entirely eliminated.

UNITED STATES: Exports of One Sucker tobacco crop year 1953-54  
with comparisons by country of destination 2/

(Declared Weight)

Country of Destination	Averages		1952-53 3/	1953-54 3/
	1934-35- 1938-39	1947-48- 1951-52		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Belgium	609	278	190	110
France	0	594	0	320
French Africa 9/	65	169	19	10
Germany 5/	13	73	0	7
Gold Coast & Nigeria	35	976	792	350
Liberia	12	78	0	0
Netherlands	14	242	75	92
Other Countries	138	553	113	63
Total	886	2,963	1,189	952

See footnotes at end of circular.

Green River exports, totaling 1.9 million pounds in 1953-54, were about 20 percent higher than in 1952-53, but were only one percent larger than the postwar average. Exports for the past year were 37 percent below the prewar average. The United Kingdom was the largest market for Green River tobacco during the 1953-54 crop year, taking 968,000 pounds, a 6.5 percent decrease from the previous year.

UNITED STATES: Exports of Green River tobacco crop year 1953-54  
with comparisons by country of destination 2/

(Declared Weight)

Country of Destination	Averages		1952-53 3/	1953-54 3/
	1934-35- 1938-39	1947-48- 1951-52		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Belgium	740	224	1	131
French Africa 9/	80	26	0	28
Ireland	137	46	17	3
Liberia	0	203	63	38
Netherlands	37	253	467	510
United Kingdom	1,952	595	1,035	968
Other Countries	84	524	0	216
Total	3,030	1,871	1,583	1,894

See footnotes at end of circular.

Black Fat exports for 1953-54 totaled 4.1 million pounds, a 19 percent increase over 1952-53 exports. The Gold Coast and Nigeria, the most important export outlets for many years, still continue to get the bulk of Black Fat shipped abroad.

UNITED STATES: Exports of Black Fat tobacco crop year 1953-54  
with comparisons by country of destination 2/

(Declared Weight)

Country of Destination	Averages		1952-53	1953-54
	1934-35- 1938-39	1947-48- 1951-52	3/	3/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
British West Indies 10/	153	78	41	22
French Africa 9/	2,742	763	392	710
Gold Coast and Nigeria	4,511	3,143	2,864	3,214
Liberia	222	19	0	0
Netherlands Antilles	73	38	35	34
Portuguese Guinea and Angola	327	270	94	18
Spanish Africa and Canary Islands	172	48	37	81
Other Countries	774	95	11	45
Total	8,974	4,454	3,474	4,124

See footnotes at end of circular.

Perique exports totaled 52,000 pounds in 1953-54, compared with 88,000 pounds exported in 1952-53. The United Kingdom continued to receive the bulk of exports of Perique.

UNITED STATES: Exports of Perique tobacco crop year 1953-54  
with comparisons by country of destination 2/

(Declared Weight)

Country of Destination	Averages		1952-53	1953-54
	1934-35- 1938-39	1947-48- 1951-52	3/	3/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada	22	9	11/	3
Norway	11	16	20	0
United Kingdom	89	25	57	44
Other Countries	7	12	25	5
Total	129	62	88	52

See footnotes at end of circular.

Cigar Leaf exports during 1953-54 totaled 5.5 million pounds, a drop of 32 percent from the 1952-53 exports of 8.1 million pounds. The largest decrease was in exports to Germany -- less than one-half of those in the preceding year. Exports to Belgium continued to remain fairly stable, while exports to the Netherlands declined 40 percent. There were small increases in exports to Austria, Canada, Sweden and Switzerland.

UNITED STATES: Exports of cigar leaf tobacco crop year 1953-54  
with comparisons by country of destination 2/

(Declared Weight)				
Country of Destination	Averages		1952-53 <u>3/</u>	1953-54 <u>3/</u>
	1934-35- 1938-39	1947-48- 1951-52		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Algeria and Tunisia	1	880	112	46
Austria <u>5/</u>	2	376	178	204
Belgium	114	580	795	749
Canada	77	368	450	575
Denmark	0	753	248	245
Germany <u>5/</u>	347	4,923	4,941	2,275
Indochina	0	79	274	118
Netherlands	86	814	546	327
Philippines, Republic of	447	78	53	36
Sweden	0	230	136	203
Switzerland	0	114	37	61
United Kingdom	136	30	15	17
Other Countries	170	670	342	691
Total	1,380	9,895	8,127	5,547

See footnotes at end of circular.

Stems, Trimmings and Scrap exports during 1953-54 totaled 2.9 million pounds a slight decrease from 1952-53, but considerably below average postwar exports of 6.2 million pounds.

UNITED STATES: Exports of stems, trimmings and scrap tobacco  
crop year 1953-54 with comparisons by country of destination 2/

(Declared Weight)				
Country of Destination	Averages		1952-53 <u>3/</u>	1953-54 <u>3/</u>
	1934-35- 1938-39	1947-48- 1951-52		
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Belgium	169	44	50	31
China <u>12/</u>	15,505	3,221	58	0
Denmark	191	293	244	238
French Morocco	0	175	205	204
Germany <u>5/</u>	1,426	226	214	203
Netherlands	23	368	35	244
Norway	108	165	334	380
Sweden	1,087	933	543	691
Tangier	0	287	1,100	284
Other Countries	988	448	474	13/ 652
Total	19,497	6,160	3,197	2,927

See footnotes at end of circular.

Footnotes

1. July 1953-June 1954 for flue-cured; October 1953-September 1954 for all other types.
2. Shipment of leaf tobacco to Puerto Rico principally cigar leaf averaging 1 to 3 million pounds annually are not included in this table.
3. Preliminary.
4. Includes Virginia Sun-cured for Jan.-Sept. 1952, Oct.-Sept. 1952-53 and 1953-54.
5. Austria included with Germany during May 1938-Sept. 1939.
6. Includes 1,431,000 pounds to Kwantung for 1934-35 - 1938-39 period; none for other years shown.
7. Includes exports to Pakistan of 3,764,000 pounds for the 1949-50 - 1951-52 period, 1,706,000 pounds for 1952-53 and 1,832,000 pounds for 1953-54.
8. No exports 1947-48 thru 1949-50.
9. Includes French Morocco, Cameroon, French West Africa and French Equatorial Africa.
10. Includes the Bahamas, Barbados, Jamaica, Leeward & Windward Islands, and Trinidad and Tobago.
11. Less than 500 pounds.
12. Including Hong Kong and Kwantung.
13. Includes 300,000 pounds to Spain.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 6-55

February 21, 1955

## DEVELOPMENTS IN THE PHILIPPINE TOBACCO SITUATION

### Production

Production of native tobacco in the Philippine Republic during 1954 was estimated at 40.1 million pounds, a drop of 6 million pounds from the 1953 crop. Adverse weather conditions which caused many planted acres to be abandoned without harvesting were mainly responsible for this decrease.

Production estimates for Virginia-type tobacco of the 1954 crop show some variations. The Philippine Tobacco Administration estimates the crop at about 4.5 million pounds. Trade sources estimate the crop at 3.7 million pounds. A much larger Virginia-type crop had been expected, but poor weather reduced it as well as the crop of native-type tobaccos.

A strong campaign for increasing the production of flue-cured is being waged and government circles estimate that the 1955 crop may reach 8.8 million pounds. This, however, appears to be an optimistic forecast in view of past production and facilities

### Philippine Tobacco Production During 1953 and 1954

Year	Production 1/			Area			Average Yield	
	Native	Virginia	Total	Native	Virginia	Total	Native	Virginia
	1,000	1,000	1,000				pounds	pounds
	pounds	pounds	pounds	acres	acres	acres	per acre	per acre
	:	:	:	:	:	:	:	:
1953 2/	46,100	3,349	49,449	90,908	6,326	97,234	507	529
1954 3/	40,066	4,519	44,585	72,739	5,960	78,699	551	758
	:	:	:	:	:	:	:	:

1/ Farm sales weight. 2/ Estimate by Bureau of Census and Statistics. 3/ Estimate by Philippine Tobacco Administration.

### Manufacture

Cigarette production has increased steadily since 1950 at a rate of about 2 billion per year. During 1953 about 13.3 billion were produced. Total production of cigarettes during the first half of 1954 nearly reached 7.8 billion compared with about 6.8 billion for same period a year earlier. About 1.8 billion or 23 percent of the cigarettes produced during the first half of 1954 were made entirely of native leaf while nearly 6 billion or 77 percent were primarily of flue-cured leaf.

Production of smoking tobacco, which amounted to 411 thousand pounds in 1953, lost ground during the first 6 months of 1954. Production of chewing tobacco during the same period increased in 1954 over 1953 but did not regain the level of the first half of 1952. Cigar production, which reached a peak 97.7 million pieces in 1953, declined to 45.8 million in the first half of 1954, compared with 49.9 for the same period a year earlier.

#### Output of Manufactured Tobacco Products

Year	: Cigars :	: Cigarettes :	: Smoking :	: Chewing :
	: million :	: billion :	: Tobacco :	: Tobacco :
	: pieces :	: pieces :	: thousand :	: thousand :
	: pounds :	: pounds :		
1951	: 91.0 :	: 9.0 :	: 351.8 :	: 696.1 :
1952	: 86.1 :	: 11.4 :	: 367.6 :	: 516.5 :
1953	: 97.7 :	: 13.3 :	: 410.9 :	: 541.6 :
1952 (First Half)	: 43.3 :	: 5.8 :	: 218.3 :	: 295.6 :
1953 " "	: 49.9 :	: 6.8 :	: 285.1 :	: 199.9 :
1954 " "	: 45.8 :	: 7.8 :	: 237.7 :	: 233.5 :

#### Exports

Exports of unmanufactured native leaf during 1953 totaled 23.1 million pounds, and in the first half of 1954 were 11.8 million. Spain, as in past years, took about 80 percent in 1953 and in the first 6 months of 1954.

Cigar exports for the first half of 1954 were 2.4 million pieces, with the United States taking 1.8 million. In 1953 the United States took 3.2 million out of a total of 4.8 million.

Cigarette exports which rose from 3 thousand in 1952 to 835 thousand in 1953, further increased in the first half of 1954 to 1.4 million, with Hong Kong the largest market, taking 1.2 million. Scrap tobacco exports decreased sharply during the first half of 1954 to 0.6 million pounds compared with 3.2 million pounds exported in the entire year 1953. To a large extent this represented a drop in U. S. takings from 2.5 million pounds during 1953 to 0.5 million pounds in the first half of 1954.

The most important news in the Philippine tobacco export picture for 1953 was the tentative trade agreement with the United States signed December 15, 1954. This agreement probably will soon be submitted to the respective Congresses for ratification.

The following table summarizes the proposed schedules of U. S. tariff-free quotas on imports of Philippine unmanufactured tobacco and cigars and the proportion of the Philippine tariff on tobacco that may be imposed during the life of the agreement. It seems that under this agreement the Philippines can impose restrictions on the imports of tobacco similar to those under Philippine Law 698 as amended.

Table of the Proposed Quota and Tariff Agreement  
Between the U. S. and the Philippine Republic  
on Manufactured & Unmanufactured Tobacco

Period	: Percentage of Philippine : : tobacco and cigars that : : may be imported into the : : U.S. duty free 1/	: Percentage of tariff : : that the Philippines : : may impose on U.S. : : unmanufactured tobacco 2/
1956-58	: 95 3/	: 25
1959-61	: 90	: 50
1962-64	: 80	: 75
1965-67	: 60	: 90
1968-70	: 40	: 90
1971-73	: 20	: 90
1974	: 0	: 100
:	:	:

1/ Based on the present quota of 200 million cigars and 6.5 million pounds of scrap and filler tobacco that may enter the United States duty-free.

2/ Based on the 1909 tariff rate of U.S. \$4.08 per pound. There is a proposal to reduce this rate substantially.

3/ There is no absolute quota under the new agreement, however, all products that enter in excess of these quotas will be taxed at the lowest rate applicable to other countries: Cigars, U.S. \$1.50 per pound plus 10 percent ad valorem. Unstemmed cigar filler and scrap, U.S. \$0.14 per pound.

Imports.

Imports of Tobacco and Tobacco Products:  
1953 and First Half of 1954

Country of Origin	: 1953 : : pounds	: Jan.-June : : 1954 : : pounds
Unmanufactured Tobacco:	: 1,000 : : 1,000	: 1,000 : : 1,000
United States	: 25,448 : : 25,448 1/	: 11,267 : : 11,260 1/
Others	: 0 : : 7	: 7 : : 7
	: 1,000 : : 1,000	: 1,000 : : 1,000
	: pieces	: pieces
Cigarettes:	: 396,942	: 248,350
United States	: 396,821	: 248,322
Others	: 121	: 28
:	:	:

1/ Primarily flue-cured tobacco.

In accordance with Philippine Law 698, first enacted in May 1952, imports of unmanufactured tobacco (other than cigar wrapper) into the Philippine Republic are subject to quota limitations. The quota limitation on imports was designed to reduce requirements for foreign exchange. The Philippine government also is encouraging domestic production of Virginia-type tobacco through the newly created Philippine Tobacco Administration which will regulate and aid the domestic tobacco market. Under P.L. 698 flue-cured imports in 1954 were to be limited to 40 percent of 1950 imports or 11.5 million pounds. By June 1954, when this limit had nearly been reached, it was evident that domestic production was too small to provide the amount of tobacco necessary to insure continued production of cigarettes. Therefore, a special session of the Philippine Congress amended the law. Under this amendment the President may authorize the import of additional leaf necessary to permit the manufacture of cigarettes at not less than the level of the previous year.

Acting under the provisions of this amendment, the President in December 1954 authorized the additional import of 7.9 million pounds of flue-cured tobacco. This is expected to supply the cigarette industry until March 31, 1955. Under the original provisions of the law, the import of 25 percent of 1950 imports or 7.2 million pounds is permissible after January 1, 1955. These quota imports will need no "undersupply" certifications and these quantities are believed to be sufficient to keep factories operating until June 1955.

The provisions of the law calling for Presidential certification of a condition of short supply has led to a wide variation in the estimates of domestic leaf available. Manufacturers claim they have already used up half of the 1954 domestic crop while producers believe that the entire crop is still available for use.

Another problem is the necessity for manufacturers to use the domestic crop without a year's aging. All groups agree that a year's aging should be allowed in order to aid the quality of the cigarettes produced.

### Outlook

Production of native types of tobacco will probably increase slightly this year. Major emphasis and encouragement, however, is being given to the program for making the country self-sufficient in the production of Virginia-type tobacco. Early estimates for 1955 vary from 6.6 million to 11.0 million pounds. In view of past production it seems probable that the smaller figure would be closer although in a favorable growing season more tobacco might be produced.

Manufacture of cigarettes will probably not increase as it has in the past few years. Use of improper types or poorly aged tobaccos would over the long tend to halt the rise in cigarette production due to consumer resistance to blends that do not satisfy their taste. Public Law 698, which allows the import of only enough supplemental tobacco over the quota to insure a level of manufacture equal to that of the previous year, is another obstacle. This provision would seem to limit future increases in cigarette production until domestic tobacco production has increased to the point where it can supply the entire needs of the cigarette industry and provide also additional tobacco for expansion.

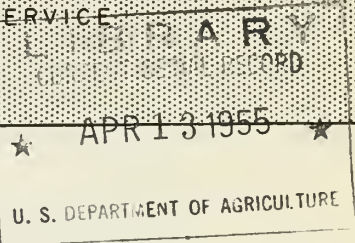
During 1955, 7.2 million pounds of Virginia-type tobacco can be imported under the quota provisions. Additional imports depend on two factors that can not be weighed. As the law allows import of only that amount of flue-cured tobacco necessary to supplement domestic flue-cured production, imports of more than 7.2 million pounds will depend on the size of the Philippine crop and the amount of tobacco in stock. Imports would also be increased if manufacturers could make some arrangements for additional imports during 1955 to enable the domestic Virginia crop to be aged for at least one year before being used. It is roughly estimated that 28.7 million pounds of flue-cured tobacco will be needed for cigarette production in 1955.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 7-55

March 7, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Owen in Europe on Tobacco Market Survey

R. A. Owen, Director of the Tobacco Division of Foreign Agricultural Service, left the United States February 1 for a two-month survey of the European tobacco situation. Mr. Owen will explore various means of expanding European outlets for American tobacco including possible market development programs under Section 104 of P. L. 480. He will also discuss with interested government and trade representatives tentative programs for the sale of tobacco under P. L. 480. In other countries he will examine the possible development of new programs for the sale of tobacco under this surplus disposal law.

The following countries are scheduled to be visited:

England	Switzerland	Netherlands
Portugal	Austria	Belgium
Spain	Germany	France
Italy	Denmark	

Mr. Owen's observations will be reported in publications of the Tobacco Division.

# United Kingdom Imports of Tobacco in 1954

The United Kingdom imported 280 million pounds of flue-cured tobacco and 32 million pounds of other types to make a total of 312 million pounds in 1954. This was only slightly below the 316 million pounds imported in 1953. Imports of flue-cured tobacco from the United States, however, dropped from 172 million pounds in 1953 to 157 million in 1954. Most of this difference was made up in increased flue-cured imports from the Rhodesias and India with imports from Canada increasing only 1 million pounds.

## United Kingdom: Imports of Unmanufactured Tobacco \*

Country of Origin	1952		1953		1954	
	Flue	Other	Flue	Other	Flue	Other
	million pounds	million pounds	million pounds	million pounds	million pounds	million pounds
	:	:	:	:	:	:
Rhodesia-Nyasaland	61	9	59	9	65	12
India	34	4	26	6	32	5
Canada	32	-	23	-	24	-
United States	62	5	172	2	157	2
Turkey	-	1	-	2	-	3
Other Countries	3	13	3	14	2	10
Total by Type	192	32	283	33	280	32
Total	224		316		312	

\* Dry weight.

## Spanish Production of American-Type Cigarettes

Spain, which was the second most important market for United States dark tobaccos before the Spanish Civil War, has in recent years decreased its purchases of such tobacco, while, at the same time, taking increasing quantities of medium or better grades of American light tobaccos. The exchange situation and increased domestic production of dark tobacco, together with increased demand for American-type cigarettes, are primarily responsible for this shift.

The demand for American-type cigarettes in Spain is apparent from the large volume of smuggling, which is estimated at about 1.5 million pounds of cigarettes each year. Many of these cigarettes are of American manufacture. The Spanish Monopoly is attempting to eliminate the loss of revenue from these illegal marketings by manufacturing American-type cigarettes.

Three brands of light cigarettes are manufactured; Bubi, which is priced at the equivalent of 17.5 cents, U. S. per package of twenty; Bisonte at 12.8 cents and Timonel at 16.7 cents. These compare with the price of 21.8 cents, U. S. per package for legally imported American cigarettes and the black market price of about 34 cents per pack. The Bisonte brand, which is a blend of Burley and Maryland tobaccos, is the most popular of the three brands indicated above.

United States export figures show that Spain is buying small amounts of American medium-to-better grades of light tobaccos for blending. Domestic production of light tobaccos is being encouraged by price differentials as shown in the following table:

Official Monopoly Price for Top Grades  
by Types 1952 and 1954 <sup>1/</sup>

Type	: 1952	: 1954	: Increase
	: U.S. cents	: U.S. cents	: U.S. cents
	: per pound	: per pound	: per pound
Dark Tobacco	: 13.6	: 15.5	: 1.9
Light Tobacco	: 15.9	: 16.6	: .7
Cigar	: 15.1	: 25.6	: 10.5
Cigarette (Light Virginia)	: 24.1	: 34.5	: 10.4

<sup>1/</sup> Converted at the controlled free rate of 38.95 Pesetas per U. S. dollar.

Total production is gradually increasing and is expected to increase in the future. An indication of the results that are being obtained in the program to produce larger quantities of light tobaccos can be seen in the following production figures:

Leaf Tobacco Production: Spain and Canary Islands

Type	: Acreage	: Production <sup>1/</sup>
	: 1953 : 1954 <sup>2/</sup>	: 1953 : 1954 <sup>2/</sup>
	: 1,000 : 1,000	: 1,000 : 1,000
	: acres : acres	: pounds : pounds
Flue-cured	: 247 : 494	: 554 : 1,102
Light air-cured <sup>3/</sup>	: 13,591 : 14,826	: 19,577 : 20,944
Dark air-cured	: 34,594 : 33,359	: 46,980 : 45,635
Cigar-filler and binder	: 1,137 : 1,483	: 575 : 772
Cigar wrapper	: 104 : 247	: 50 : 132
Total	: 49,672 : 50,408	: 67,736 : 68,585

<sup>1/</sup> Cured leaf delivered to the National Tobacco Service.

<sup>2/</sup> Estimates. <sup>3/</sup> Burley type.

#### Cuba Slashes Tobacco Acreage

On November 19, 1954 the Cuban Ministry of Agriculture drastically cut the 1954-55 tobacco crop quota by 30 percent, from the 91.2 million pounds that had previously been allocated, to 61.9 million pounds. This reduction was made necessary by an excessive stock position. Despite large stocks the last three crops which were of excellent quality have not yet encountered serious marketing difficulties locally or abroad.

However, the Cuban Tobacco Fund recently had to finance the purchase of 24.9 million pounds of the 1953-54 crop valued at 8 million dollars. This purchase relieved small farmers who were badly pressed for cash and prevented a possible break in prices.

The Tobacco Stabilization Fund at present holds more than 40.5 million pounds of leaf with another 40 to 45 million pounds in the hands of dealers and growers. Preliminary estimates place the 1953-54 crop at 84.6 million pounds. This crop added to the present stocks of 80 to 85 million pounds made necessary the reduced allotments. With a normal disappearance of about 80 million pounds, stocks could be reduced in size by next year to a quantity more in line with market requirements.

#### Mexico Raises Cigarette Prices and Tobacco Import Valuations

Mexican tariff valuations on unmanufactured tobacco which form the basis for ad valorem rates were raised sharply in November of this year, 40 to 42 percent in terms of pesos. This adjusts values to nearly the amount of the 45 percent devaluation in the peso that took place in April of 1954.

#### Revised Mexican Import Duties on Leaf Tobacco

Type	: Specific	:	Ad Valorem Per Pound			:	Total	:
	: Duty	:	Rate	: Official	: Amount	:	Per Pound	: Per Pound
	: Per Pound	:		: Valuation	:			:
	: Pesos	:	Percent	: Pesos	: Pesos	:	Pesos	: Cents
Virginia	: 0.27	:	25	: 9.34	: 2.34	:	2.61	: 20.8
Other Filler:	: 0.45	:	25	: 5.62	: 1.41	:	1.86	: 14.9
Wrapper	: 0.45	:	10	: 30.39	: 3.04	:	3.49	: 28.9
	:	:		:	:	:		:

In December of 1954 the government allowed an increase in cigarette prices of 17 to 26 percent. This was made necessary by the general increase in manufacturers' costs. Manufacturers claimed these costs have risen sharply since devaluation and would force them out of business unless prices could be raised.

#### Pakistan's Development of Natural Gas

Natural gas from the Sui fields is expected to reach Karachi by May of this year. In fuel-starved Pakistan this new source of power will enable the expansion of both industry and agriculture. The tobacco industry is among the first to take advantage of gas power, as a tobacco redrying plant is being built near the pipe line and is expected to begin operation soon after gas is available.

Available power from gas should appreciably increase the supply of irrigation water and raise overall agricultural production in the next few years. In the past competition with food crops for water has necessarily limited tobacco production; many acres of tobacco were planted that were never harvested due to lack of water. If gas power does no more than supply added water to the farms of Pakistan it will make possible the tobacco expansion program as planned.

Although it will take longer for the effects to be seen, possible production of ammonia fertilizers from natural gas will further stimulate agriculture. Construction of such a fertilizer plant is being discussed but no definite plans have been made at this time. Tobacco manufacturers will also benefit, along with other industrial users, from the more abundant and possibly cheaper power from natural gas.

#### German Tobacco Imports Higher in First 9 Months of 1954

West German imports of unmanufactured tobacco were substantially higher during the first 9 months of 1954 (98.6 million pounds), than imports for the same period in 1953 (87.4 million pounds). Imports from the United States were 40.5 million pounds in 1954 compared with 37.4 million pounds for the same period a year earlier. The average landed price paid by German importers for United States leaf, exclusive of tariff, was a little higher this year, being 64.7 cents per pound compared with 61.3 cents per pound during the first 9 months in 1953.

German imports of unmanufactured tobacco from the United States will probably fall off in the last quarter of 1954 contrary to 1953 when shipments received in the last quarter were 15.8 million pounds or about 30 percent of the year's total. In 1954, United States exports of unmanufactured tobacco to West Germany for the 10 months, January through November, were well below exports for the same period in 1953. As yet, the smaller quantity of United States tobacco exported has not shown up in German import figures because time in transit and in bond cause a delay of from 1 to 3 months or even longer. Although German imports of United States tobacco were larger through September 1954 than in the same period of 1953, it seems probable, considering lower United States exports to Germany that total German imports of unmanufactured tobacco from the United States in 1954 may not reach the level of 1953.

It is possibly significant that German imports of Oriental tobacco from Greece and Turkey increased sharply from 24.3 million pounds in the first 9 months of 1953 to 31.9 million pounds during the same period in 1954. There is much sentiment in West Germany in favor of tobacco manufacturers buying more leaf from their traditional markets, Greece and Turkey. This sentiment is based on the fact that both of these countries are excellent markets for German industrial goods when they have available foreign exchange.

#### Venezuela Plans No Bright Leaf Imports

The Venezuelan National Economic Council will recommend that no licenses be issued for the importation of bright leaf tobacco and this recommendation will probably be followed. No definite period of suspension was considered, but it will probably last until stocks of domestic leaf are consumed. Many of the growers have backed this action as they believe there is a local over-production of bright leaf. Established cigarette manufacturers probably have adequate stocks of imported tobacco, but the newly established cigarette company may have some difficulty in maintaining their blends.

#### India Expects 100 Million Pound Crop of Virginia Tobacco

The American Embassy at New Delhi reports that preliminary trade estimates place the 1954-55 Indian crop of Virginia tobacco at about 100 million pounds from 185 thousand acres, compared with 112 million pounds produced in 1953-54

from 180 thousand acres. Planting in Andhra State (which produces most of India's flue-cured tobacco) runs from October through December and the crop is harvested during the following January through March.

Communist China seems to have made a good buy in the previously reported barter of 9 million pounds of low grade Indian flue-cured for raw silk. Press reports from Berlin, Germany indicate that part of this Indian tobacco will be sold to East Germany and other Communist-dominated countries in exchange for armaments, machinery and other industrial products. The reports also stated that tobacco crop losses in Communist China and the shortage of tobacco supplies in East Europe have caused a tobacco famine in Communist countries.

#### Turkey's Tobacco Crop Lower

The Turkish Tobacco Monopoly estimates that 1954 production will total 212 million pounds from 382 thousand acres, a considerable drop from 1953 production of 257 million pounds from 290 thousand acres. Quality of the crop is reported from good to excellent but there may be price difficulties as growers are expecting a sizeable price increase.

#### Australia Expects Smaller Tobacco Crop

The American Embassy at Canberra reports that high prices, received at last season's auction sales, appear to have stimulated increased plantings for the 1954/55 crop year. Estimated acreage rose 0.9 thousand acres from 8.1 to 9.0 thousand acres, with most of the increase divided between Queensland and Victoria while acreage in New South Wales and Western Australia remained about the same as last year.

Despite the larger acreage planted, total leaf harvested this crop year is expected to reach only 7.5 million pounds compared with 8.0 million pounds last year. Lower per acre yields this year are expected because of severe Blue Mould damage caused by unfavorable weather.

#### Sales of Japanese Cigarettes Containing U. S. Tobacco Lag

Recent sales figures issued by the Japan Monopoly Corporation indicate that the lower priced cigarette brands, "Shinsei" and "Asahi" are gaining in sales at the expense of the higher priced brands, "Peace", "Fuji" and "Hikari". Sales of cigarettes in the first half of Japan's 1954 fiscal year (April thru September) totaled 50.8 billion pieces, an increase of 3.3 billion or 7 percent over the same period in 1953. During these same periods value of the cigarettes sold increased only 0.3 percent, indicating that the increase was in lower priced cigarettes at the expense of other brands. "Peace", "Fuji" and "Hikara" cigarettes contain substantial amounts of American flue-cured tobacco and range in price according to the percentage of U. S. tobacco used in the blends.

#### Philippine 1955 Tobacco Import Quota Allocated

The American Embassy at Manila reports that the Philippine Central Bank was scheduled to allocate 1955 tobacco import quotas last week. Under the original quota provisions of Philippine Law #698, manufacturers and dealers may import approximately 7 million pounds of Virginia leaf. This is the basic import allowance and any additional imports come under the emergency provisions of the amended law at the discretion of the President of the Philippines.



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FT 8-55

March 8, 1955

## X PRINCIPAL TRADE BARRIERS AFFECTING UNITED STATES LEAF TOBACCO IN WORLD MARKETS X

By Franklin S. Everts

Producers and exporters of United States leaf tobacco find themselves confronted with a variety of obstacles in attempting to sell their product in the world market place. Many of these impediments to international trading in tobacco are of long standing. Most of them were used prior to World War II to limit tobacco import trade or to direct it into the desired channels. But the "dollar problem" since the end of the war has encouraged their use on a more extensive scale.

It is true that over the past year or so, there has been some easing of the barriers restricting imports of U.S. leaf tobacco, especially in a number of our important outlets in Western Europe. This liberalization of dollar imports is a step in the right direction. But state trading, bilateral and compensation agreements, preferential tariffs, exchange control on import licensing, quotas and guaranteed markets all exist today, and in varying degrees hamper the free flow of our tobacco into foreign countries.

In addition to import barriers, various devices have been adopted by countries that compete with the United States in the world tobacco markets to encourage export trading. These devices operate in such a way as to place U.S. leaf at a competitive disadvantage. They include guaranteed markets, export subsidies, bilateral agreements, and manipulation of currency exchange rates. Summarized below are the principal barriers in individual foreign markets to our tobacco export trade. The list is not a complete one, but the list is believed to be reasonably comprehensive and of interest to members of the trade in this summary form. 1/ There is a brief comment in connection with each restriction mentioned which assesses its impact on United States leaf tobacco exports. Countries where tariff rates are the sole barrier to import trade have not been discussed.

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1/ Additional information regarding these handicaps to exports of U. S. tobacco in various countries may be obtained from the Tobacco Division, Foreign Agricultural Service.

### Import Barriers

Argentina: Import Licensing - For the past several years, the Central Bank has granted practically no import permits for tobacco of any type. This development has eliminated U.S. tobacco from the Argentine market. During the period 1947-51, our leaf tobacco exports to Argentina averaged 2.1 million pounds annually, principally flue-cured and Burley. There were no exports of any type in 1952, 1953, and through November 1954.

Australia: (a) Preferential Tariff - Under terms of a trade agreement in operation since 1941, Southern Rhodesian tobacco enjoys a 9 pence (8.4 cents) per pound tariff preference in the Australian market. This places U.S. leaf at a disadvantage in the Australian market, and encourages the importation of leaf from Southern Rhodesia.

(b) Purchase Agreement - A purchase agreement is in effect with Southern Rhodesia, under the terms of which Australia guarantees to take a minimum quantity or percentage of the Southern Rhodesian crop. The present guaranteed quantity is 9.7 million pounds, or  $6\frac{1}{2}$  percent of the crop, whichever is smaller. Increasing Australian consumption has lessened the impact of this on United States exports, although imports from Southern Rhodesia rose from a prewar average of .1 million pounds to 9.1 in 1953. The U.S. share in the Australian tobacco import market declined from more than 95 percent in prewar to less than 70 percent during the period 1949-53.

(c) Mixing Regulation - This regulation, which has been in effect (with modifications) since 1936, provides for substantial duty concessions on imported tobacco which is to be blended with certain minimum percentages of domestic leaf in the manufacturing process. The concession ranges from 15 pence (14.0 cents) and 18 pence (16.7 cents) per pound, depending upon the classification of the tobacco and end use. Through its influence upon the leaf usage of the larger manufacturers, this regulation has almost certainly maintained demand for Australian leaf at a higher level than might otherwise have been the case.

Austria: Bilateral Agreements - For a number of years, Austria, which has a government tobacco monopoly, has maintained a number of bilateral agreements with tobacco-exporting countries, providing for the importation of tobacco of a specified quantity or value. Agreements have been in operation with Bulgaria, Greece, Yugoslavia, India, Brazil, and Indonesia. Most of the tobaccos imported from countries listed are not directly competitive with American leaf; however, any quantities imported from them under such trading arrangements do tend to displace leaf from the United States.

Egypt: (a) Premium Dollars - According to latest available information, Egypt has for some time permitted no dollars to be used for tobacco purchases at the official rate of exchange. Importers have been required to pay an approximate 10 percent premium to obtain dollars for U.S. leaf. Exports of U.S. tobacco to Egypt presumably would have been greater if this premium payment had not been necessary. It has tended to encourage imports of Southern Rhodesian and Indian tobacco.

(b) A Trade and Payments Agreement is in effect between Egypt and Greece. This was recently extended to cover the period September 1, 1954 to August 31, 1955, and tobacco is one of the commodities moving from Greece to Egypt under the terms of the agreement. This encourages the importation of Greek tobaccos, and tends to prejudice the position of U.S. tobacco in the Egyptian market.

Finland: Premium Dollars - Severely limited dollar allocations for tobacco have forced Finnish importers to resort to "switch" transactions through third countries, in order to obtain dollars for U.S. leaf tobacco. There have been premium payments involved in these transactions, usually amounting to from 10 to 20 percent. It is probable that if dollars had been freely available, U.S. tobacco exports to Finland would have been about one-third greater than actual shipments during the past several years.

France: (a) Limited Dollar Allocations - A system of exchange controls covering dollar purchases for U.S. leaf has been maintained for several years. This has severely limited imports of U.S. leaf, apparently without regard for consumer preferences, comparative prices, or the traditional pattern of French tobacco imports from this country. Imports from the United States declined from an average of 21.4 million pounds in 1946-47 to only 6.4 million in 1952-53. In prewar years, the United States supplied about one-third of French tobacco imports. During 1952-53, the U.S. share was only 9 percent.

(b) Compensation Agreements - For a number of years, France has maintained trading arrangements with a number of countries, under the terms of which tobacco has been included as an item to be imported into France. Agreements have been concluded with the following countries: Greece, Turkey, Yugoslavia, Brazil, Argentina, and the Central African Federation. These agreements have been used to implement the French desire to direct trade in tobacco towards countries agreeing to purchase French commodities. They have acted to reduce the French market for U.S. leaf, particularly dark tobaccos, and to expand imports and usings of oriental tobaccos. In prewar years an average of only about 3 million pounds of oriental leaf were imported into France; for 1949-53, the average was 22 million pounds.

Hong Kong: Preferential Tariff - A tariff preference of .20 Hong Kong dollars (3.5 cents per pound) is in effect on leaf tobacco imports into Hong Kong from British Commonwealth sources. This probably has had no appreciable effect on imports of U.S. tobacco.

India: Import Licensing - An import licensing system is in effect which severely limits imports of tobacco from dollar areas. This acts as a deterrent to exports of U.S. leaf to India, which fell to only 1.2 million pounds in 1953, compared with an average of 7.5 million during the period 1947-51.

Indonesia: (a) Mixing Regulation - The government requires that a minimum percentage of domestic flue-cured leaf be used in the manufacture of certain popular brands of cigarettes. At latest report, the percentage was 10 percent, but indications are that in view of the balance-of-payments situation, the minimum will be increased.

(b) Import Licensing - In the fall of 1954, licenses for the purchase of U.S. leaf were sharply restricted. For 1954-55 (September - August), exchange sufficient for about one-half the 1953-54 purchases will be allowed, and for 1955-56, only about one-quarter. If this regulation is strictly adhered to, imports from the United States will be reduced drastically from the average of about 13 million pounds shipped to Indonesia during the period 1951-53.

Italy: Bilateral Agreements - Italy has negotiated bilateral trade agreements with Greece and Turkey. Although tobacco is not specifically mentioned as an item to be imported by Italy, reliable information indicates that such imports are virtually imposed on Italy. These agreements tend to affect Italian imports of tobacco from the United States. Italy has a Monopoly which controls all phases of the tobacco industry, and can direct import trade as it sees fit. The Monopoly, a government agency, is in a position to implement politico-economic policy towards countries that will accept Italian export commodities in large volume.

New Zealand: Mixing Regulation - A regulation has been in effect since January 1, 1941, requiring a tobacco manufacturer to use a specified minimum percentage of domestic leaf tobacco in his total manufacturing operations. The minimum was originally fixed at 20 percent. Under the GATT agreement, New Zealand undertook to guarantee that the minimum percentage requirement, which had been increased on several occasions since 1941, would remain at the then existing level of 30 percent. According to latest information, it has been raised to 32½ percent, as a voluntary move by manufacturers. Because of steadily increasing consumption of tobacco in New Zealand, imports and utilization of U.S. tobacco have been maintained. It is believed that the volume of imports of leaf from the United States has been below what takings would have been in the absence of the mixing regulation.

Pakistan: (a) Preferential Tariff - The tariff regulations provide for customs duties on United States leaf at \$2.25 per pound, plus an excise duty. Indian tobacco, because of an agreement made at the time of the partition, is subject to an excise duty only. In effect, Indian tobacco for customs tariff purposes is treated as domestic leaf, and therefore the customs duty is not applicable. The preference is sufficient to encourage the importation of leaf from India in lieu of higher quality tobacco from the United States.

(b) Mixing Regulation - There is a sliding-scale excise tariff favoring maximum use of domestic leaf. In other words, the rate of excise declines, as the percentage of domestic tobacco used in a particular product increases. This tends to discourage maximum use of United States tobaccos.

Philippine Republic: Import Quotas - Under Republic Act 698, effective May 9, 1952, imports of leaf tobacco (except cigar wrapper) were limited to the following percentages of 1950 imports: 1952 - 75; 1953 - 50; 1954 - 40; and 1955 (and subsequent years) - 25. The 1950 imports approximated 28 million pounds. As amended in mid-1954, the law continued the percentage quota restrictions for 1954 and 1955, but provided for such additional imports which, when added to domestic leaf production, would permit the manufacture

of tobacco products at a level not less than that of the previous fiscal year. For 1956, and subsequent years, the amendments provided for import quotas at a level which, when added to the domestic crop, will permit manufacturers to produce a quantity of tobacco products equal to the preceding year's. These quota provisions have already restricted imports of U.S. flue-cured and Burley tobacco, and have promoted uneconomic expansion of the domestic flue-cured crop.

Light

Portugal: (a) Preferential Tariff - /tobacco from Portuguese colonial possessions is accorded a preferential duty of 15 percent below the rate applicable to imports from the United States. The object is to encourage tobacco production in those overseas areas.

(b) Bilateral Agreement - A basic agreement with Greece, signed in 1949, provides for the exchange of Portuguese fishery products for Greek tobacco (oriental) in the amount of \$700,000 annually. This has reduced the market for U.S. leaf in Portugal, although consumers prefer tobacco products containing high percentages of flue-cured and Burley. Imports from Greece increased from .1 million pounds in 1949 to 1.4 million in 1953. Imports from the United States were only 7.9 million pounds in 1953, compared with 8.9 million in 1949.

Spain: (a) Exchange Allocations for U.S. tobacco have been extremely limited, despite the historical pattern of trade with the United States. The Monopoly and Ministry of Finance strictly control all tobacco purchases. These measures have severely restricted U.S. exports of dark tobaccos even though they have been offered to Spain at competitive prices.

(b) Clearing Agreements are believed to be in effect with several of the important suppliers of tobacco to the Spanish market. Imports from Brazil and the Dominican Republic have been increased sharply in recent years compared with prewar. Imports from the United States are far below prewar levels.

United Kingdom: (a) Preferential Tariff - For many years, the United Kingdom has maintained a preferential tariff on imports of tobacco from Commonwealth countries. At present, the differential in the tariff on U.S. leaf and Commonwealth leaf is  $18\frac{1}{2}$  pence per pound (21.5 U.S. cents), for the principal category of leaf imports. It is impossible to measure accurately the effect this preferential duty has had on imports and utilization of U.S. tobacco. Displacement of U.S. leaf has continued and developed for a long period of years. The tariff preference has been a most important factor in the increased tobacco production in Commonwealth areas, and the reduced share of the United States in the British market. During the period 1919-23, only 6 percent of British tobacco imports was of Commonwealth origin; the average of 1951-53 was 45 percent. At present the tariff preference amounts to only about 3 percent, although in prewar years it was as high as 20 percent. The current duty on imports of U.S. unstemmed leaf containing 10 percent or more of moisture is the equivalent of a little more than \$8.00 per pound -- roughly 12 times the export value of the tobacco.

(b) Purchase Agreement - A postwar development of great significance to U.S. flue-cured tobacco growers is the purchase arrangement, originally negotiated in 1947, whereby British manufacturers agree to purchase a large percentage of the Southern Rhodesian tobacco crop. Under existing terms of the agreement, purchases are fixed at 85 million pounds (farm weight) for 1955, and 80 million for the years 1956-58. This agreement has acted as a strong stimulus to increased production in Southern Rhodesia. Imports into Britain from Southern Rhodesia increased from about 16 million pounds in prewar to nearly 60 million in 1952 and 1953.

(c) Dollar Allocations - For a number of years, purchases of U.S. leaf have been limited by dollar allocations. At present, the system provides for tobacco purchases from "dollar areas" sufficient to cover current manufacturing requirements -- or about 61 percent of the total usings of light tobaccos. It does not take into account the drastic decline in the United States share in total manufacturing operations over the past six or seven years.

(d) Mixing Regulation - At the suggestion of the government, British manufacturers agreed a number of years ago to use 5 percent oriental tobacco in cigarettes produced for home consumption.

Under the impact of this combination of barriers, the importation of United States tobacco into the United Kingdom fell from 78 percent of the total in the prewar (1934-38) period to an average of only 51 percent in 1951-53. On an absolute basis, imports from the United States declined from an average of 213 million pounds during 1934-38 to an average of 150 million pounds for 1951-53. Conversely, imports from outside the United States (mostly Commonwealth) increased from an average of 62 million pounds in 1934-38 to 147 million in 1951-53.

Uruguay: (a) Dollar Premiums - Tobacco importers in Uruguay have had to pay a premium in order to obtain dollars for tobacco imports.

(b) Bilateral Agreement - In effect with Greece, providing for \$100,000 worth of tobacco purchases from Greece during the period May 1954-April 1955.

West Germany: Bilateral Agreements - A number of trade agreements are in effect with other countries, providing for the importation of substantial quantities of various commodities including tobacco into Germany in exchange for industrial goods. The most significant of these, as far as tobacco is concerned, are those with Greece, Turkey, Brazil, and Colombia. Their effect has been to pressure German tobacco manufacturers to expand their purchases and usings of oriental leaf and non-U.S. cigar tobaccos. Under the impact of these agreements, the U.S. proportionate share in the German market declined considerably from 51 percent in 1950 to 43 percent in 1953.

Competitive Export Aids

Algeria: Export Subsidy - This was made effective in 1954, in order to boost tobacco exports to areas outside of France and its overseas territories. It is too early to assess the full effects of this new subsidy system, but it may eventually cut into U.S. exports of light and dark air-cured tobaccos.

Colombia: Export Subsidy - An export bonus, which in 1954 amounted to about 40 percent of the selling price, is paid to tobacco exporters. This has already encouraged the export of dark tobaccos to Germany and France, both of which are markets for U.S. dark types of tobacco.

Cuba: Commercial Agreements - Cuba has commercial agreements, covering the exportation of Cuban tobacco to other countries. Agreements have been concluded with Argentina, Chile, Germany, Spain, France, and the United Kingdom. These probably have had some adverse effects on the level of exports of dark and cigar tobaccos from the United States.

Dominican Republic: (a) Export Monopoly - The government has been granted permission to establish a "consortium" which would have the sole right to purchase and export tobacco. This paves the way for easy negotiation of bilateral trading arrangements and subsidization of exports.

(b) Commercial Agreement - This was recently negotiated with France and provides for the importation into France of \$1 million worth of Dominican tobacco annually.

Greece: Bilateral Agreements are in effect with a number of countries, including Portugal, West Germany, Italy, Uruguay, Austria, France, and Egypt. All of these countries are outlets for American tobacco. (For significance to United States tobacco, see under comments on these countries).

India: Import Licensing - From July 1954, India has had a system of ad hoc import licenses covering the goods of countries guaranteeing to purchase lower grades of Indian flue-cured tobacco.

Italy: (a) "Tie-In-Sales" - Italy, a Monopoly country, in recent years has facilitated the export of certain types of tobacco by the "tie-in" sales method. By means of this, the sales contracts for scarcer and more desirable tobaccos with some Western European countries have included other types not so much in demand. We have no indication that this trading arrangement has been discontinued, and it appears to have had some effect on exports of U.S. dark tobaccos.

(b) Trading Arrangement - The Italian Tobacco Monopoly, a government agency, has an agreement with the Swiss Cigarette Manufacturing Association covering imports of Italian tobacco into Switzerland in exchange for Swiss exports of cigarettes to Italy. This agreement adversely affects exports of U.S. fire-cured tobacco to the Swiss market.

Madagascar: Guaranteed Market - The French Tobacco Monopoly virtually guarantees to take the total production of Maryland-type tobacco in Madagascar. Incentive prices are maintained, and U.S. Maryland has been practically eliminated from the French market.

Paraguay: Exchange Subsidy - There is an exchange subsidy, tied in with minimum selling prices, which has encouraged the export of tobacco in larger volume to Spain and France, both formerly very important outlets for U.S. dark tobaccos. The exchange subsidy was recently raised to about 100 percent.

Southern Rhodesia: Purchase Agreements - (See under United Kingdom, Australia, and France).

Turkey: Bilateral Agreements - (See under Italy, West Germany, France).

Union of South Africa: Export Subsidy - An export bounty or subsidy is in effect, permitting exports at less than world market prices. For the 1953-54 export season the bounty was up to 40 percent of the minimum selling prices. Exports totaled 4.4 million pounds in 1953, compared with only .3 million in prewar years.

### Monopoly Countries

In many countries, most phases of the tobacco industry are controlled by a governmental or quasi-governmental agency. Policy with respect to import trade frequently is undertaken arbitrarily. The volume and kind of tobacco products manufactured, and the type of leaf used in their manufacture, are established by the government. The government in a Monopoly country is in a position to direct consumers' tastes toward certain domestic and imported tobaccos, without regard to preferences or the traditional manufacturing and trade patterns. Monopoly policy is often based on political considerations. Countries in the Free World having Monopoly control of tobacco include the following:

<u>Country</u>	<u>Type</u>	<u>Country</u>	<u>Type</u>
Austria	Government	Korea	Leased
Ecuador	Leased	Peru	Leased
Formosa	Government	Portugal	Leased
France	Government		(2 companies)
French Morocco	Leased	Spain	Leased
Haiti	Leased	Sweden	Government
Iran	Leased	Syria & Lebanon	Leased
Iraq	Leased	Thailand	Government
Italy	Leased	Tunisia	Government
Japan	Leased	Turkey	Government



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CURRENT SERIAL RECORD

MAR 28 1955



FT 9-55

March 16, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Pakistan Allocated 3 Million Dollars for Tobacco Under Public Law 480

The Foreign Agricultural Service of the Department of Agriculture announced on March 11, that an agreement has been reached with the Government of Pakistan for the sale of 3 million dollars worth of U. S. tobacco. This is part of an overall agreement under which 20.4 million dollars worth of surplus United States agricultural commodities will be sold for rupees under Title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83rd Congress). Sales under this program will be handled by private U. S. exporters and procurement authorizations are expected to be issued soon.

The 3 million dollars allocated for tobacco in this agreement are expected to result in the sale of about 3.6 million pounds of tobacco and will be in addition to usual purchases for dollars. Exports of United States leaf to Pakistan averaged about 1.5 million pounds per year during the period 1950-53.

Tobacco purchased under this program will enable the fast-growing Pakistan cigarette industry to maintain the percentage of U. S. leaf used in high-quality cigarettes and to build up sufficient stocks to assure efficient plant operations. This is especially important in view of the rapid expansion of the Pakistan cigarette industry which has increased

from an output of 0.2 billion cigarettes in 1949 to 4.0 billion in 1953.

Other commodities that will move under the Pakistan program include cotton, ghee and linseed oil.

### Canada Expects Larger Flue-cured Exports in 1955

The Marketing Service of Canada's Department of Agriculture expects that tobacco exports (more than 95 percent flue-cured) will be substantially in excess of 1954 exports and may reach a record 50 million pounds. Most of this will probably move to the established market in the United Kingdom, with smaller amounts going to Australia, British West Indies and others.

Canadian stocks of 164.0 million pounds on December 31, 1954, consisted of flue-cured 144.7 million pounds; burley, 7.6 million; dark tobacco, 1.7 million; cigar leaf, 8.2 million; pipe and other types, 1.8 million. Despite last year's large crop, stocks are not expected to rise greatly due to the expected increase in imports and domestic consumption. Domestic usings are expected to rise from the 103 million pounds taken in 1954 to 106 million in 1955 and this seems reasonable in view of the 6 percent rise shown in the last quarter of 1954 over the same period in 1953.

Consumption of cigarettes and cigars in Canada is still rising as shown by the following table:

Tax-paid Withdrawals of Tobacco Products  
for Consumption in Canada

Year	:	Cigarettes	:	Cigars
	:	Billion	:	Million
	:	<u>pieces</u>	:	<u>pieces</u>
1950	:	17.2	:	199.0
1951	:	15.7	:	169.1
1952	:	17.8	:	200.3
1953	:	21.0	:	235.6
1954	:	22.1	:	244.4
	:		:	

### Argentina Increases Price of Flue-cured Tobacco

The Argentine Government has announced an increase of about 30 percent in the price to be paid for flue-cured tobacco. It is too late for this to increase production this year, but the higher price should stimulate much heavier plantings for the 1955-56 crop.

Domestic production of light tobaccos has not been large enough in past years to enable adequate production of cigarettes made from these tobaccos. This increase in price seems to be designed to encourage the production of light tobaccos in order that more of the demand for light cigarettes may be met.

### Yugoslavia to Sell Tobacco to Poland

On February 12, 1955 the Polish and Yugoslav Governments signed a trade agreement which calls for the exchange of goods to the value of 7.5 million dollars. Under this agreement Yugoslavia expects to sell about 2.2 million pounds of tobacco to Poland during 1955.

### India Desires Increased Tobacco Trade with Pakistan

Indian tobacco merchants have urged their Government to request Pakistan to remove existing import restrictions on Indian tobacco. These merchants believed that resumption of large scale tobacco trade with Pakistan, a major market, would greatly ease India's overstocked position. It is estimated that unsold stocks of tobacco worth 16.6 million dollars have accumulated in India.

### Communist China-Indonesia Trade Agreement

Communist China and Indonesia have extended their trade and payments agreement to July 1955 with an automatic provision for further extensions of one year if neither country sends a formal rejection three months before expiration date. Both cigarettes and cut tobacco are in the Chinese list of possible exports to Indonesia and leaf and cut tobacco are on the list of possible Indonesian exports to Communist China.

### Large Tobacco Harvest Expected in the Dominican Republic

Reports from the Dominican Republic forecast a harvest in the first half of 1955 of approximately 50.5 million pounds of tobacco from 52,000 acres. Such an output, if realized, will be almost 22 percent above the 1954 harvest now placed at 41.5 million pounds, and would exceed the 1947-51 average production of 47 million pounds by 7 percent. Acreage for harvest in 1955 is estimated to be almost 11 percent above 1954 when 47,000 acres were harvested, and is 16 percent above the 1947-51 average.

Yields in 1954 were below earlier expectations when heavy rains beginning in the latter part of the growing season and continuing during harvest and curing caused considerable damage to both yield and quality. Conditions up to the first of February indicate higher yields for 1955. By that time practically all the crop had been transplanted and recent rains had broken a severe dry spell in the tobacco area, giving the crop an excellent start. Another factor which should increase yields is a program by the Santiago Chamber of Commerce for the free distribution to farmers of tobacco plants from high quality seed. Santiago is in the heart of the tobacco district.

Production of criollo tobacco which is grown primarily for export is expected to reach 46 million pounds in 1955, as compared to approximately 37.8 million pounds in 1954 and more than 30 million pounds in 1953. Production of olor tobacco which is better quality tobacco used almost entirely for domestic consumption is expected to reach 4.5 million pounds in 1955, approximately 9 percent of the total crop. This compares with 3.7 and 3.8 million pounds of olor produced in 1954 and 1953 respectively.

Prices received by farmers for the 1954 crop of criollo tobacco varied from about 7 to 11 cents per pound and the average price received was about 9 cents. The average export price was approximately 18 cents per pound F.O.B. Puerto Plata, or about double the farm price. Farm price in 1953 averaged 12.5 cents per pound while the export price was about 19 cents.

A classification of the 1954 crop of olor tobacco shows that about 3 percent of this variety was cigar wrapper quality, 6.5 percent was binder tobacco, with the remainder classed as filler and scrap. In 1953 about 6.3 percent of the olor tobacco was classed as wrapper and the same percentage as binder tobacco. In both 1953 and 1954 between 2 and 3 percent of the criollo tobacco was estimated to be suitable for cigar wrapper and about 8 percent was suitable for binder with all the rest classified as cigar filler and scrap.

#### Thailand's Surplus of Flue-cured Tobacco

The Thai Tobacco Monopoly ended the 1953-54 crop year with a surplus of 6.6 million pounds of domestic flue-cured tobacco and expects another surplus of about 4.4 million pounds from the 1954/55 crop. Accumulation of these excess stocks has developed sentiment for possible export outlets and the promotion of cigarettes made primarily of domestic leaf. As the flue-cured tobacco used in blending is imported from the United States, any movement toward cigarettes made of domestic tobacco would further reduce our tobacco exports to Thailand. In 1954 shipments totaled only 4.6 million pounds, a sharp drop from the 6.6 million pounds exported in 1953.

In the past many Thai consumers have been willing to pay substantially higher prices for cigarettes blended with large percentages of U. S. flue-cured leaf. Therefore, it would seem that resistance among a large group of smokers would slow any movement to cigarettes made primarily of domestic tobacco and would probably enable U. S. flue-cured tobacco to hold part of the market.



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WASHINGTON, D. C.

FT 10-55

March 24, 1955

## EXPORTS OF UNMANUFACTURED TOBACCO LOWER IN 1954

United States tobacco farmers and exporters enjoyed reasonably good export trade in 1954, although the quantity shipped was 13 percent below the high 1953 figure. Last year's exports totaled 452.3 million pounds (value 303.1 million), compared with 518.7 million pounds valued at 340.8 million in 1953. Prospects are that exports in 1955 will be larger than those for 1954. Increasing consumption in a number of our major outlets, greatly improved economic conditions, trade liberalization and possibilities for export under P. L. 480 with payment in foreign currencies, combined should mean larger exports this year. Exports of flue-cured leaf in 1954 decreased about 16 percent below 1953. Exports of Burley, Dark-fired Kentucky-Tennessee, Maryland, Green River, Virginia sun-cured and Black Fat were larger. Exports of all other types fell below 1953 shipments.

Flue-cured Tobacco exports in 1954 totaled 373.7 million pounds compared with 444.3 million in 1953, about a 16 percent decrease. This decrease was largely due to smaller takings by the United Kingdom (148.0 million pounds in 1954 compared with 177.6 million pounds in 1953), and West Germany. Countries which took larger shipments in 1954 than in 1953 included Mexico, Uruguay, Sweden, Norway, France, Finland, Spain, Pakistan, Taiwan, Australia, New Zealand, Egypt and the Belgian Congo. There were decreases in shipments to Guatemala, Venezuela, Denmark, United Kingdom, Ireland, West Germany, Austria, Switzerland, Portugal, Italy, Yugoslavia, Thailand, Indochina, Indonesia, the Philippines, Hong Kong, Japan and British East Africa.

Burley Tobacco exports during 1954 totaled 29.3 million pounds, a 17 percent increase over the 25.0 million pounds exported in 1953. Exports sharply increased to Mexico, the Netherlands, France, Portugal and Italy. There were decreased shipments to Sweden, Norway, Denmark, the United Kingdom, Belgian and Luxembourg, West Germany, Austria, Switzerland, Yugoslavia, the Philippines and Egypt.

Kentucky-Tennessee Fire-cured Tobacco exports increased about 7 percent in 1954, 20.9 million pounds compared with 19.5 million in 1953. Exports to Denmark, the United Kingdom, Belgium and Luxembourg, Cameroon and Belgian Congo increased in 1954. Exports to France, historically the best market for this type, totaled 6.7 million pounds in 1954 compared with 1.7 million in 1953. Prewar exports to that country exceeded 18 million pounds. Exports were lower in 1954 than in the previous year to such important markets as Sweden, Ireland, the Netherlands, West Germany and the Gold Coast. There were no exports to Spain in 1954 compared with 1.8 million pounds in 1953.

Virginia Fire-cured and Sun-cured Tobacco - Exports of Virginia Fire-cured tobacco during 1954 totaled 3.9 million pounds, down 8 percent from 1953 exports of 4.3 million pounds. Exports decreased to Norway, the United Kingdom, West Germany, Austria, and Australia. There were slight increases in exports to Sweden, the Netherlands, Switzerland and New Zealand. Exports of Virginia Sun-cured tobacco increased about 93 percent in 1954. Norway took 80,000 pounds out of a total 81,000 pounds.

Black Fat exports rose in 1954 to 4.5 million pounds compared with 3.9 million pounds in 1953. Exports to French West Africa and to Nigeria were up, but those to the Gold Coast were off slightly.

Maryland Tobacco exports in 1954 reached a postwar high of 8.7 million pounds, .6 million over 1953. Switzerland, which took 5.8 million pounds, continued to be the largest export outlet. Appreciable gains were shown in exports to Belgian and Luxembourg, West Germany, Spain and Tunisia. Yugoslavia, which bought Maryland tobacco for the first time in 1953 (749,000 pounds), took 589,000 pounds in 1954.

One Sucker Tobacco exports continued their downward trend. They totaled only 864,000 pounds in 1954 compared with 1.0 million pounds in 1953 and 1.5 million pounds in 1952. Nigeria, normally the largest market for this type, took only 229,000 pounds in 1954 compared with 610,000 pounds in 1953 and 1.2 million pounds in 1952. The only substantial gain was to France which took 320,000 pounds in 1954 and none in 1953.

Green River Tobacco exports increased 15 percent in 1954 totaling 2.1 million pounds compared with 1.8 million pounds in 1953. The United Kingdom continues to be the largest outlet taking 967,000 pounds in 1954 compared with 1.0 million pounds in 1953. Exports to France, after a lapse of two years, totaled 738,000 pounds in 1954.

Cigar Tobacco exports totaled only 5.4 million pounds in 1954 compared with 7.6 million pounds in 1953, 6.8 million pounds in 1952 and a 1947-51 average of 9.8 million pounds. Cigar wrapper accounted for 3.5 million pounds, cigar binder for 1.7 million and cigar filler for 158,000 pounds. Exports of all types of cigar leaf were lower in 1954 than in 1953.

Perique exports in 1954 totaled 50,000 pounds compared with 66,000 pounds in 1953. The United Kingdom continued as the most important market taking 34,000 pounds or 68 percent of the total.

Trimnings, Stems and Scrap exports in 1954 totaled but 2.7 million pounds compared with 3.0 million pounds in 1953 reflecting a continued downward trend from prewar and postwar levels. The sharpest decline was in exports to Tangier which took only 97,000 pounds in 1954 compared with 1.1 million pounds in 1953. The largest increase in exports was to Spain which took 529,000 pounds in 1954 compared with extremely small prewar and postwar averages.

UNITED STATES: Exports of unmanufactured tobacco by types, calendar year 1954, with comparisons

(Declared Weight)

Type	Average 1935-39	Average 1947-51	1952	1953 1/	1954 1/
	1,000 : pounds : dollars :	1,000 : pounds : dollars :	1,000 : pounds : dollars :	1,000 : pounds : dollars :	1,000 : pounds : dollars :
Flue-cured	312,889 :	388,078 :	319,270 :	296,798 :	373,745 :
Burley	10,635 :	32,865 :	27,044 :	13,053 :	29,259 :
Dark-fired Kentucky	48,959 :	24,591 :	21,752 :	9,545 :	20,945 :
Tennessee	9,049 :	6,046 :	4,860 :	2,759 :	3,933 :
Dark-fired Virginia	- :	- :	277 :	31 :	81 :
Virginia Sun-cured 2/	5,390 :	7,349 :	5,807 :	5,276 :	8,670 :
Maryland	3,019 :	1,726 :	2,260 :	1,829 :	2,102 :
Green River	956 :	3,063 :	1,535 :	674 :	864 :
One Sucker	8,867 :	4,669 :	3,204 :	3,881 :	4,536 :
Black Fat	- :	- :	- :	- :	- :
Cigar leaf	- :	- :	- :	- :	- :
Wrapper	- :	- :	3,061 :	3,901 :	3,491 :
Binder	- :	- :	2,848 :	3,100 :	1,723 :
Filler	- :	- :	853 :	587 :	158 :
Total cigar leaf	2/ 1,289 :	9,770 :	6,762 :	8,586 :	6,788 :
Perique	132 :	79 :	60 :	66 :	50 :
Trimings, stems, and scrap	19,632 :	8,116 :	3,622 :	366 :	2,727 :
Total	420,797 :	486,352 :	396,453 :	340,835 :	452,284 :

1/ Preliminary. 2/ Class established January 1952

Compiled in Foreign Agricultural Service from the records of the Bureau of the Census.

UNITED STATES: Exports of flue-cured tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	Average (Declared Weight)		1952	1953 1/	1954 1/	1953 1/	1954 1/
	1935-39	1947-51					
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
<b>NORTH AMERICA:</b>							
Canada	4,331	161	471	55	30	51	28
<b>CENTRAL AMERICA:</b>							
Mexico	3	478	738	1,326	1,800	1,197	1,368
Guatemala	55	314	348	455	187	387	158
British Honduras	19	36	12	11	16	10	14
El Salvador	38	527	610	550	511	440	416
Honduras	18	88	141	176	174	158	154
Nicaragua	93	310	384	457	357	289	201
Costa Rica	15	48	38	47	74	54	79
Panama, Republic of	10	12	-	-	-	-	-
Bermuda	1	-	-	-	-	-	-
Bahamas	-	1	4	7	-	3	-
Cuba	2	-	-	-	-	-	-
Jamaica	384	14	-	35	-	26	-
Haiti	13	93	106	74	142	69	120
Dominican Republic	3	-	-	-	-	-	-
Leeward & Windward Islands	-	45	76	122	80	65	45
Barbados	91	7	2	5	3	4	3
Trinidad & Tobago	449	102	23	22	97	24	79
Other British West Indies	29	-	-	-	-	-	-
Netherlands Antilles	2/	-	1	34	-	25	-
French West Indies	1	-	-	-	-	-	-
<b>SOUTH AMERICA:</b>							
Colombia	55	302	-	-	3	-	3
Venezuela	4	166	512	463	300	479	322
British Guiana	155	328	350	309	356	228	267
Surinam (Netherlands Guiana)	9	34	134	99	158	69	114
French Guiana	-	-	-	-	32	-	24
Ecuador	2	-	-	-	-	-	-
Peru	33	154	-	-	107	-	90
Bolivia	-	1	-	-	-	-	-
Chile	6	78	46	60	57	47	45
Brazil	41	64	-	3	-	3	-
Paraguay	1	10	20	8	10	6	4
Uruguay	229	979	247	1,059	1,644	936	1,482
Argentina	926	1,110	-	-	-	-	-
<b>EUROPE:</b>							
Iceland	-	20	-	-	-	-	-
Sweden	3,642	6,938	6,576	7,043	7,895	5,460	6,574
Norway	2,487	4,479	4,314	4,114	5,104	2,777	3,415
Denmark	2,498	7,577	6,991	9,906	7,946	6,385	5,009
United Kingdom	193,519	174,736	50,330	177,648	147,997	125,652	108,687
Ireland	6,081	16,926	15,272	16,877	13,701	11,872	9,838
Netherlands	9,490	23,672	26,796	29,819	29,914	12,589	13,222
Belgium & Luxembourg	3,712	15,479	10,785	7,535	7,479	3,051	3,063
France	1,071	1,684	5,746	2,269	2,653	1,803	2,094
Germany	4,060	36,803	3/ 66,276	3/ 61,006	3/ 34,619	3/ 36,650	3/ 21,712
Austria	12	3,043	3,380	2,055	1,254	1,058	706
Czechoslovakia	16	201	-	-	-	-	-
Hungary	9	-	-	-	-	-	-
Switzerland	257	3,990	2,909	3,108	2,789	2,041	1,720
Finland	1,028	1,668	3,001	2,794	5,126	1,815	3,026
Estonia	169	-	-	-	-	-	-
Latvia	232	-	-	-	-	-	-
Lithuania	78	-	-	-	-	-	-
Poland & Danzig	811	82	-	-	-	-	-
USSR	-	2,086	-	-	-	-	-
Azores	4/ 20	36	72	56	55	31	31
Spain	137	380	772	1,476	2,167	1,222	1,753
Portugal	803	3,358	2,853	4,144	2,663	1,820	1,305
Gibraltar	16	8	-	-	-	-	-
Malta, Gozo, & Cyprus	292	1,193	995	1,348	832	920	564
Italy	99	3,059	2,216	4,409	1,011	3,422	826
Free Territory of Trieste	-	157	-	-	2	-	1
Yugoslavia	1	3	1,350	2,707	182	956	93
Greece	1	8	-	-	-	-	-
Rumania	37	-	-	-	-	-	-

continued -

UNITED STATES: Exports of flue-cured tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)							
	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
ASIA:								
Palestine	25	799	226	255	-	169	-	
Syria	( 4	25	54	12	-	8	-	
Lebanon	(	17	55	27	-	18	-	
Iraq	3	-	-	-	-	-	-	
Israel	-	-	-	- 5/	228	- 5/	146	
Jordan	-	124	221	279	389	359	506	
Kuwait	-	31	-	-	-	-	-	
Saudi Arabia	-	3	-	-	-	-	-	
Aden	4	24	70	70	-	19	-	
India	2,903	7,484	3,963	1,169	1,247	1,318	1,317	
Pakistan	-	543	1,840	1,714	2,165	1,527	1,953	
Ceylon	924	972	1,304	961	740	850	668	
Burma	-	-	-	19	-	14	-	
Thailand	3,202	3,314	6,126	6,634	4,577	5,063	3,338	
Indochina	190	1,589	2,817	3,232	1,858	2,424	1,460	
British Malaya	118	-	-	14	126	9	52	
Indonesia	2,021	6,419	13,203	12,475	9,748	8,316	6,700	
Macao	-	-	30	29	-	12	-	
Philippine Republic	703	6,924	28,386	19,573	18,484	10,186	10,356	
Portuguese Asia	-	10	-	-	-	-	-	
China	6/ 33,885	9,714	-	-	-	-	-	
Hong Kong	1,624	4,338	3,534	3,695	2,888	2,471	1,744	
Taiwan	-	377	954	1,262	1,795	1,028	1,538	
Japan	4,842	385	7,340	9,510	6,692	8,456	5,920	
OCEANIA:								
Australia	19,093	19,964	23,632	26,230	27,894	20,792	22,373	
New Zealand	2,708	5,511	5,132	5,508	6,223	4,464	5,151	
AFRICA:								
Morocco	16	175	157	87	88	74	71	
Algeria	( 88	266	168	297	263	190	152	
Tunisia	(	137	54	165	287	41	76	
Egypt	926	2,562	2,612	4,225	4,918	2,605	2,968	
Anglo-Egyptian Sudan	-	-	-	-	1	-	1	
Canary Islands	22	85	10	-	15	-	11	
Spanish Africa	-	3	-	-	-	-	-	
Cameroon	-	40	105	24	76	15	55	
French Equatorial Africa	-	20	-	-	28	-	13	
French West Africa	7/ 132	116	-	33	38	11	22	
Gold Coast	8	8	-	-	-	-	-	
Nigeria	210	856	1,004	1,199	1,055	794	793	
British West Africa	200	4	-	-	-	-	-	
Madeira Islands	4/	8	7	5	41	3	21	
Angola	-	36	85	70	80	33	33	
Western Portuguese Africa	8/ 44	19	15	32	20	20	14	
Liberia	6	6	-	6	-	3	-	
Belgian Congo	-	70	124	490	873	304	551	
Mauritius & Dependencies	-	146	110	55	444	56	379	
British East Africa	-	1,202	991	1,054	596	888	514	
Mozambique	13	57	40	62	45	42	27	
Madagascar	-	2	4	20	-	5	-	
Union of South Africa	66	645	-	123	-	117	-	
Southern British Africa	2	-	-	-	-	-	-	
Estimated Shipments 9/	-	-	-	-	96	-	15	
Total Value, 1,000 dollars	112,466	214,995	201,575	296,798	257,593	296,798	257,593	
Total Quantity	312,889	388,078	319,270	444,306	373,745			

See footnotes at end of circular.

UNITED STATES: Exports of Burley tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)							
	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<b><u>NORTH AMERICA:</u></b>								
Canada	453	138	-	-	-	-	-	
<b><u>CENTRAL AMERICA:</u></b>								
Mexico	99	1,005	2,214	1,510	4,031	1,009	2,288	
Guatemala	9	155	286	111	136	98	124	
British Honduras	8	7	2	22	17	18	11	
El Salvador	1	5	-	-	-	-	-	
Honduras	2/	9	9	11	15	14	15	
Nicaragua	47	83	146	115	122	60	59	
Costa Rica	10	32	27	29	48	37	55	
Panama, Republic of	-	3	-	-	-	-	-	
Bahamas	-	-	3	-	-	-	-	
Haiti	2	32	46	29	66	25	49	
Dominican Republic	23	-	-	-	-	-	-	
Leeward and Windward Islands	-	1	9	8	2	7	1	
Trinidad and Tobago	-	20	100	71	236	71	243	
Other British West Indies	7	-	-	-	-	-	-	
<b><u>SOUTH AMERICA:</u></b>								
Colombia	2	16	-	-	1	-	1	
Venezuela	2/	13	11	-	127	-	153	
Surinam	2	40	-	-	2	-	2	
Ecuador	1	-	-	-	-	-	-	
Peru	4	44	109	-	-	-	-	
Chile	8	67	171	174	154	112	96	
Brazil	9	27	-	-	-	-	-	
Uruguay	30	65	39	45	195	57	236	
Argentina	160	645	-	-	-	-	-	
<b><u>EUROPE:</u></b>								
Sweden	605	1,721	2,877	1,406	299	1,088	225	
Norway	434	1,181	685	739	656	493	438	
Denmark	827	1,559	1,710	737	500	342	274	
United Kingdom	279	702	280	421	236	282	173	
Ireland	10	5	4	4	-	3	-	
Netherlands	1,000	2,896	956	857	2,000	289	903	
Belgium and Luxembourg	1,996	3,555	2,715	3,044	2,563	957	880	
France	214	1,675	974	707	2,137	564	478	
Germany, West	( 467	( 6,077	7,677	4,910	3,741	2,699	2,135	
Germany, East	(	(	-	-	-	-	-	
Austria	17	774	1,204	850	365	377	215	
Czechoslovakia	25	59	-	-	-	-	-	
Hungary	3	-	-	-	-	-	-	
Switzerland	46	536	338	1,078	705	494	371	
Finland	72	231	458	524	709	257	378	
Estonia	1	-	-	-	-	-	-	
Latvia	5	-	-	-	-	-	-	
Lithuania	7	-	-	-	-	-	-	
Poland and Danzig	43	-	-	-	-	-	-	
Azores	4/	3	16	15	26	7	13	
Spain	69	170	-	-	123	-	107	
Portugal	2,498	4,747	1,870	3,005	4,460	986	1,359	
Gibraltar	1	-	-	-	-	-	-	
Malta, Gozo, and Cyprus	10	1	-	-	-	-	-	
Italy	145	2,548	24	582	2,410	497	2,000	
Free Territory of Trieste	-	20	-	-	-	-	-	
Yugoslavia	-	-	-	851	609	172	125	

continued -

UNITED STATES: Exports of Burley tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)							
	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
ASIA:								
Syria	{ 2/	4	8	10	-	6	-	
Lebanon	{ 2/	30	-	14	-	7	-	
Iraq	-	2/	-	-	-	-	-	
Israel and Palestine	-	4	-	-	-	-	-	
India	2/	4	9	-	37	-	51	
Ceylon	10	-	-	-	-	-	-	
Siam (Thailand)	-	7	-	-	-	-	-	
Indochina	8	48	15	-	22	-	17	
Indonesia	101	42	4	-	-	-	-	
Republic of the Philippines	5	370	1,165	1,234	886	672	509	
Macao	-	-	-	-	10	-	3	
China	32	1	-	-	-	-	-	
Hong Kong	-	4	38	353	582	138	202	
Taiwan	-	-	5	-	-	-	-	
Japan	1	1 2/	-	-	-	-	-	
OCEANIA:								
Australia	557	164	114	168	63	138	48	
New Zealand	3	-	-	-	10	-	8	
AFRICA:								
French Morocco	2/	50	-	-	-	-	-	
Algeria	{ 213	108	21	91	81	48	31	
Tunisia	{	143	102	-	-	-	-	
Egypt	21	913	536	1,205	749	993	648	
Canary Islands	3	-	-	3	-	1	-	
Cameroon	-	-	-	28	25	16	11	
French Equatorial Africa	-	-	-	-	14	-	5	
French West Africa	7/	3	12	6	-	4	-	
Gold Coast	1	-	3	-	-	-	-	
Nigeria	5	-	-	2	-	1	-	
Madeira Islands	4/	1	2	-	7	-	3	
Angola	-	43	42	28	18	9	6	
Western Portuguese Africa, n.e.s.	20	1	-	-	-	-	-	
Liberia	2/	-	3	-	-	-	-	
Belgian Congo	-	6	-	-	29	-	24	
Mozambique	-	5	10	10	25	5	12	
Union of South Africa	2/	11	7	-	-	-	-	
Estimated Shipments 9/	-	-	-	-	10	-	3	
Total Value, 1,000 dollars	2,253	14,739	14,541	13,053	14,988	13,053	14,988	
Total Quantity	10,635	32,865	27,044	25,007	29,259			

See footnotes at end of circular.

UNITED STATES: Exports of Kentucky-Tennessee Fire-cured tobacco,  
calendar year 1954 with comparisons, by countries of destination

Country of Destination	(Declared Weight)		1952	1953 1/	1954 1/	1953 1/	1954 1/
	Average	Average					
	1935-39	1947-51					
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
<b>NORTH AMERICA:</b>							
Canada	151	56	73	34	37	15	20
<b>CENTRAL AMERICA:</b>							
Mexico	47 2/						
Guatemala	-	-	76	242	23	178	17
British Honduras	1	29	26	33	75	17	27
El Salvador	13	-	-	-	-	-	-
Honduras	2/	2	-	-	-	-	-
Nicaragua	2	-	-	3	-	1	-
Panama, Republic of	118	55	67	64	125	39	54
Canal Zone	-	-	-	3	6	1	2
Bahamas	-	32	79	86	90	31	31
Cuba	-	5	-	-	-	-	-
Jamaica	2	3	2	2	1	1	1
Haiti	9	4	99	300	-	127	-
Dominican Republic	-	-	-	-	3	-	2
Leeward and Windward Islands	-	23	21	16	16	8	11
Trinidad and Tobago	8	2	1	2	-	1	-
Netherlands Antilles	4	4	1	2	-	1	-
French West Indies	56	6	-	-	-	-	-
Other British West Indies	19	-	-	-	-	-	-
<b>SOUTH AMERICA:</b>							
Venezuela	1	-	-	-	-	-	-
British Guiana	63	35	41	23	47	11	27
Surinam (Netherlands Guiana)	9	15	15	7	13	3	6
French Guiana	6	2	-	4	2	3	1
Peru	-	-	-	-	110	-	92
Chile	- 2/	2/	-	-	1	1	1
Brazil	23	28	20	1	10	1	9
Paraguay	2	-	-	-	-	-	-
Uruguay	28	39	-	34	24	27	19
Argentina	150	274	-	-	-	-	-
<b>EUROPE:</b>							
Iceland	-	71	71	-	68	-	23
Sweden	2,191	1,631	1,661	651	108	366	51
Norway	548	369	401	278	100	144	74
Denmark	1,055	593	466	561	683	368	402
United Kingdom	2,739	1,217	2,633	298	420	162	282
Ireland	724	636	1,038	564	280	322	153
Netherlands	4,832	3,964	7,084	5,368	4,507	2,654	2,156
Belgium and Luxembourg	4,441	2,160	1,024	633	970	228	331
France	18,316	4,329	-	1,720	6,658	1,007	3,246
Germany, West	( 3,022	( 1,007	732	931	673	393	353
Germany, East	(	(	-	-	-	-	-
Austria	29	43	20	-	28	-	23
Czechoslovakia	-	4	-	-	-	-	-
Switzerland	2,273	2,602	2,328	1,761	1,769	961	1,060
Finland	82	71	-	20	160	17	60
Estonia	5	-	-	-	-	-	-
Latvia	32	-	-	-	-	-	-
Lithuania	6	-	-	-	-	-	-
Poland and Danzig	858	-	-	-	-	-	-
Azores	4/ 30	95	57	75	44	37	24
Spain	2,568	400	-	1,851	-	240	-
Portugal	1,107	390	363	228	172	61	40
Gibraltar	3	-	-	-	-	-	-
Malta, Gozo, and Cyprus	145	64	4	37	45	18	23
Italy	427	1,415	626	624	445	499	357
Free Territory of Trieste	-	-	-	16	-	12	-
Yugoslavia	3	-	-	-	27	-	23

continued -

UNITED STATES: Exports of Kentucky-Tennessee Fire-cured tobacco,  
calendar year 1954 with comparisons, by countries of destination

		(Declared Weight)						
Country of Destination	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
ASIA:								
Turkey	-	-	-	14	-	11	-	
Aden	1	-	-	-	-	-	-	
India	12	1	13	-	-	-	-	
Indochina	235	40	243	72	51	23	17	
British Malaya	1	-	-	-	-	-	-	
Indonesia	69	49	87	520	578	337	381	
Republic of the Philippines	5	-	-	-	-	-	-	
China	1	-	-	-	-	-	-	
Japan	20	1	8	-	-	-	-	
OCEANIA:								
Australia	3	-	7	3	15	2	8	
New Zealand	5	69	87	128	173	71	102	
AFRICA:								
French Morocco	44	182	-	-	-	-	-	
Tangier	-	18	-	-	-	-	-	
Algeria	( 767	445	101	71	124	31	59	
Tunisia	(	382	282	188	-	48	-	
Egypt	285	242	83	134	75	49	17	
Canary Islands	507	221	140	110	110	30	32	
Spanish Africa, n.e.s.	18	14	1	22	21	12	11	
Cameroon	-	158	179	190	441	94	231	
French Equatorial Africa	-	120	21	41	23	16	12	
French West Africa	7/ 635	496	111	668	704	347	362	
Gold Coast	102	297	544	457	241	388	208	
Nigeria	19	39	10	17	5	13	4	
British West Africa, n.e.s.	20	5	-	-	-	-	-	
Angola	-	31	4	14	18	7	7	
Western Portuguese Africa, n.e.s.	8/ 29	61	238	63	-	36	-	
Liberia	25	30	39	19	4	12	2	
Belgian Congo	2	6	525	276	566	61	132	
Mozambique	2/	-	-	-	-	-	-	
Madagascar	5	9	-	5	-	2	-	
Union of South Africa	1	-	-	-	-	-	-	
Estimated Shipments 9/	-	-	-	-	56	-	27	
Total Value, 1,000 dollars	6,379	9,844	10,404	9,545	10,613	9,545	10,613	
Total Quantity	48,959	24,591	21,752	19,485	20,945			

See footnotes at end of circular.

UNITED STATES: Exports of Virginia Fire-cured tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)						
	Average						
	1935-39	1947-51	1952	1953 1/	1954 1/	1953 1/	1954 1/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	dollars	dollars
<b>NORTH AMERICA:</b>							
Canada	143	7	-	-	-	-	-
<b>CENTRAL AMERICA:</b>							
Mexico	34	15	-	-	-	-	-
Guatemala	2/	3	-	-	-	-	-
El Salvador	4	-	-	-	-	-	-
Costa Rica	12	-	-	-	-	-	-
Panama, Republic of	1	1	-	-	-	-	-
Leeward and Windward Islands	-	2	1	-	-	-	-
Barbados	4	-	-	-	-	-	-
Trinidad and Tobago	63	123	122	154	21	106	17
Netherlands Antilles	2	-	-	-	-	-	-
Other British West Indies	4	-	-	-	-	-	-
<b>SOUTH AMERICA:</b>							
Colombia	1	-	-	-	-	-	-
Venezuela	1	-	-	-	-	-	-
British Guiana	1	-	-	-	-	-	-
Surinam	2	-	-	-	-	-	-
Ecuador	1	-	-	-	-	-	-
Peru	4	-	109	-	-	-	-
Bolivia	2/	1	-	-	-	-	-
Brazil	2	-	-	-	-	-	-
Paraguay	4	3	-	-	2	-	1
Uruguay	10	1	-	9	-	7	-
Argentina	112	-	-	-	-	-	-
<b>EUROPE:</b>							
Sweden	815	703	867	486	619	300	369
Norway	2,033	1,752	1,767	1,880	1,432	1,145	903
Denmark	171	104	12	60	29	34	13
United Kingdom	1,471	418	156	284	167	212	112
Ireland	161	26	16	34	56	20	42
Netherlands	455	589	5	125	424	82	165
Belgium and Luxembourg	356	305	63	7	26	3	12
France	197	14	-	17	-	13	-
Germany, West	( 1,005	( 263	418	283	150	198	108
Germany, East	(	(	-	-	-	-	-
Austria	92	244	416	215	64	163	52
Czechoslovakia	109	34	-	-	21	-	24
Switzerland	130	536	464	266	285	155	174
Finland	10	32	-	-	54	-	25
Estonia	7	-	-	-	-	-	-
Latvia	8	-	-	-	-	-	-
Lithuania	2	-	-	-	-	-	-
Poland and Danzig	11	-	-	-	-	-	-
Azores	4/ 6	2/	-	-	-	-	-
Portugal	345	126	-	22	24	6	9
Malta, Gozo, and Cyprus	5	-	-	-	-	-	-
Italy	85	14	15	-	48	-	34
Yugoslavia	5	-	-	-	-	-	-
Greece	2	-	-	-	-	-	-
Rumania	2	-	-	-	-	-	-

continued -

UNITED STATES: Exports of Virginia Fire-cured tobacco, calendar year 1954,  
with comparisons, by countries of destination

(Declared Weight)							
Country of Destination	Average 1935-39	1947-51	1952	1953 1/	1954 1/	1953 1/	1954 1/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
<b>ASIA:</b>							
Israel and Palestine	-	7	-	-	-	-	-
Aden	2	-	-	-	-	-	-
India	4	35	19	24	18	18	16
Thailand	-	-	-	-	4	-	2
Indochina	3	79	9	-	-	-	-
Indonesia	36	37	-	-	-	-	-
Philippines, Republic of	2/	27	-	-	-	-	-
China	28	1	-	-	-	-	-
Hong Kong	-	31	-	-	-	-	-
Taiwan	-	10	-	-	-	-	-
<b>OCEANIA:</b>							
Australia	236	115	192	270	196	200	164
New Zealand	276	262	209	130	231	92	179
<b>AFRICA:</b>							
French Morocco	-	6	-	-	-	-	-
Algeria and Tunisia	170	16	-	-	31	-	13
Egypt	22	4	-	-	-	-	-
Canary Islands	8	54	-	-	-	-	-
Spanish Africa	4	-	-	-	-	-	-
Cameroon	-	24	-	-	-	-	-
French West Africa	2/	235	11	10	20	5	12
Gold Coast	25	3	-	-	-	-	-
British West Africa	10	-	-	-	-	-	-
Madeira Islands	-	-	-	-	11	-	5
Angola	-	3	-	-	-	-	-
Western Portuguese Africa	8/	10	1	-	-	-	-
Liberia	82	4	-	-	-	-	-
Mozambique	5	-	-	-	-	-	-
Madagascar	5	-	-	-	-	-	-
Total Value, 1,000 dollars	2,101	3,080	3,122	2,759	2,451	2,759	2,451
Total Quantity	9,049	6,046	4,860	4,276	3,933		

See footnotes at end of circular.

UNITED STATES: Exports of Virginia sun-cured tobacco 10/  
calendar year 1954, by countries of destination

(Declared Weight)					
Country of Destination	1952	1953 1/	1954 1/	1953 1/	1954 1/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
<b>CENTRAL AMERICA:</b>					
Honduras	-	-	1	-	1
Leeward and Windward Islands	2	-	-	-	-
<b>EUROPE:</b>					
Norway	274	-	80	-	43
Netherlands	1	-	-	-	-
Germany, West	-	34	-	25	-
Switzerland	-	6	-	5	-
<b>AFRICA:</b>					
Algeria	-	2	-	1	-
Total value, 1,000 dollars	151	31	44	31	44
Total Quantities	277	42	81		

See footnotes at end of circular.

UNITED STATES: Exports of Black Fat, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)						
	Average						
	1935-39	1947-51	1952	1953 1/	1954 1/	1953 1/	1954 1/
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	dollars	dollars
<b>NORTH AMERICA:</b>							
Canada	2	2	-	-	-	-	-
<b>CENTRAL AMERICA:</b>							
British Honduras	44	13	-	-	-	-	-
El Salvador	1	-	-	-	-	-	-
Honduras	-	1	-	-	-	-	-
Nicaragua	3	-	-	-	-	-	-
Panama, Republic of	6	1	-	-	-	-	-
Bahamas	-	63	41	33	30	10	8
Jamaica	1	1	4	-	-	-	-
Haiti	8	5	4	-	-	-	-
Dominican Republic	1	1	-	-	-	-	-
Leeward and Windward Islands	-	21	8	9	3	4	2
Barbados	2	-	-	-	-	-	-
Trinidad and Tobago	1	1	-	-	-	-	-
Netherlands Antilles	77	38	35	37	33	13	11
French West Indies	141	6	2/	2/	-	11/	-
Other British West Indies	154	-	-	-	-	-	-
<b>SOUTH AMERICA:</b>							
British Guiana	112	43	-	-	-	-	-
Surinam	37	8	4	2	4	1	1
French Guiana	28	8	-	3	1	1	1
<b>EUROPE:</b>							
Norway	1	-	-	-	-	-	-
Denmark	7	-	-	-	-	-	-
United Kingdom	28	2/	-	-	7	-	6
Netherlands	28	6	2	-	-	-	-
Belgium and Luxembourg	89	2/	-	-	-	-	-
Germany, West	( 168	(	-	-	-	-	-
Germany, East	(	(	-	-	-	-	-
Austria	1	-	-	-	-	-	-
Switzerland	3	6	-	-	-	-	-
Azores	4/	1	-	-	-	-	-
Portugal	7	20	-	-	-	-	-
Malta, Gozo, and Cyprus	5	3	-	-	-	-	-
<b>ASIA:</b>							
India	4	-	-	-	-	-	-
Portuguese Asia	-	5	-	-	-	-	-
China	2	8	-	-	-	-	-
<b>OCEANIA:</b>							
Australia	2	-	-	-	-	-	-
<b>AFRICA:</b>							
French Morocco	1	1	-	-	-	-	-
Algeria and Tunisia	3	-	-	-	-	-	-
Egypt	4	1	-	-	-	-	-
Anglo-Egyptian Sudan	-	1	-	-	-	-	-
Canary Islands	104	34	31	34	86	18	45
Spanish Africa	67	4	16	4	12	2	6
Cameroon	-	95	30	69	100	36	52
French Equatorial Africa	-	142	-	-	2	-	2
French West Africa	2/2,691	708	3	494	750	260	401
Gold Coast	1,301	1,147	1,332	1,047	988	892	838
Nigeria	2,687	2,006	1,426	2,055	2,476	1,675	1,982
British West Africa	481	-	-	-	6	-	3
Angola	-	36	93	-	-	-	-
Western Portuguese Africa	8/ 326	209	170	94	35	52	19
Liberia	215	22	-	-	-	-	-
Belgian Congo	7	2	5	-	-	-	-
Seychelles and Dependencies	-	1	-	-	-	-	-
British East Africa	1	2/	-	-	-	-	-
Mozambique	2	-	-	-	-	-	-
Madagascar	7	-	-	-	-	-	-
Union of South Africa	2	-	-	-	-	-	-
Southern British Africa	4	-	-	-	-	-	-
Estimated Shipments 2/	-	-	-	-	3	-	2
<b>Total Value, 1,000 dollars</b>	<b>1,629</b>	<b>2,604</b>	<b>2,426</b>	<b>2,964</b>	<b>3,379</b>	<b>2,964</b>	<b>3,379</b>
<b>Total Quantity</b>	<b>8,867</b>	<b>4,669</b>	<b>3,204</b>	<b>3,881</b>	<b>4,536</b>		

See footnotes at end of circular.

UNITED STATES: Exports of Maryland tobacco, calendar year 1954,  
with comparisons, by country of destination

(Declared Weight)								
Country of Destination	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<b>NORTH AMERICA:</b>								
Canada	2/	8	-	-	-	-	-	-
<b>CENTRAL AMERICA:</b>								
Mexico	-	-	-	-	38	-	-	33
Guatemala	2/	2/	15	-	-	-	-	-
Honduras	2/	1	2	2	3	2	2	2
Trinidad and Tobago	-	-	8	-	-	-	-	-
<b>SOUTH AMERICA:</b>								
Surinam	2/	2/	-	1	-	11/	-	-
<b>EUROPE:</b>								
Sweden	26	-	-	-	-	-	-	-
Norway	5	11	-	-	7	-	-	5
Denmark	127	44	26	20	38	5	12	-
United Kingdom	34	31	-	-	-	-	-	-
Netherlands	1,833	557	378	441	431	131	149	-
Belgium and Luxembourg	427	233	138	300	425	76	136	-
France	668	354	5	-	-	-	-	-
Germany, West	( 173	( 308	184	252	483	84	122	-
Germany, East	(	(	-	110	-	24	-	-
Austria	52	24	-	-	9	-	8	-
Czechoslovakia	8	-	-	-	-	-	-	-
Switzerland	1,602	4,843	4,519	5,546	5,818	4,521	4,790	-
Finland	-	4	-	-	-	-	-	-
Estonia	5	-	-	-	-	-	-	-
Poland and Danzig	2	-	-	-	-	-	-	-
Azores	-	-	-	-	2	-	-	1
Spain	21	98	83	328	435	144	191	-
Portugal	-	3	-	-	-	-	-	-
Gibraltar	-	-	-	110	-	23	-	-
Italy	19	2/	1	-	-	-	-	-
Yugoslavia	-	-	-	749	589	184	115	-
<b>ASIA:</b>								
Israel	-	1	-	-	-	-	-	-
Thailand	-	2/	-	-	-	-	-	-
Indochina	-	10	-	-	-	-	-	-
Philippines, Republic of	2/	54	-	-	-	-	-	-
China	2	-	-	-	-	-	-	-
<b>OCEANIA:</b>								
Australia	1	6	11	18	-	17	-	-
<b>AFRICA:</b>								
French Morocco	49	402	278	202	111	50	32	-
Algeria	( 333	58	15	-	-	-	-	-
Tunisia	(	299	143	44	279	10	69	-
Egypt	1	-	-	8	-	3	-	-
Canary Islands	1	-	-	-	-	-	-	-
Liberia	1	-	-	-	-	-	-	-
Mozambique	-	2/	1	4	2	2	1	-
Total Value, 1,000 dollars	1,236	4,313	4,226	5,276	5,666	5,276	5,666	
Total Quantity	5,390	7,249	5,807	8,135	8,670			

See footnotes at end of circular.

UNITED STATES: Exports of One Sucker tobacco, calendar year 1954,  
with comparisons, by countries of destination

Country of Destination	(Declared Weight)							
	Averages							
	1935-39 1,000 pounds	1947-51 1,000 pounds	1952 1,000 pounds	1953-1/ 1,000 pounds	1954 1/ 1,000 pounds	1953 1/ 1,000 dollars	1954 1/ 1,000 dollars	
NORTH AMERICA:								
Canada	30	26	-	-	-	-	-	
CENTRAL AMERICA:								
Haiti	1	2/	-	-	-	-	-	
Barbados	3	-	-	-	-	-	-	
Trinidad and Tobago	51	48	43	28	13	18	8	
Netherlands Antilles	2/	2	-	-	-	-	-	
French West Indies	2	-	-	-	-	-	-	
SOUTH AMERICA:								
Surinam	-	2	-	-	-	-	-	
Argentina	1	-	-	-	-	-	-	
EUROPE:								
Norway	2/	8	11	17	-	8	-	
Denmark	6	2/	-	-	-	-	-	
United Kingdom	5	18	2	-	-	-	-	
Ireland	2	-	-	-	-	-	-	
Netherlands	14	262	27	139	85	49	24	
Belgium and Luxembourg	682	293	188	157	178	51	58	
France	-	747	-	-	320	-	47	
Germany, West	( 13	( 73	-	4	3	1	1	
Germany, East	(	(	-	-	-	-	-	
Austria	-	11	-	-	-	-	-	
Switzerland	9	2	12	2	-	1	-	
Spain	-	242	-	-	-	-	-	
Portugal	-	1	-	-	-	-	-	
Yugoslavia	-	-	-	55	-	13	-	
ASIA:								
Philippines, Republic of	2	-	-	-	-	-	-	
Portuguese Asia	-	1	-	-	-	-	-	
AFRICA:								
French Morocco	-	60	-	-	-	-	-	
Algeria	-	44	-	-	-	-	-	
Tunisia	-	113	-	-	-	-	-	
Canary Islands	16	9	-	-	26	-	6	
Spanish Africa	1	-	-	-	-	-	-	
Cameroon	-	18	41	9	-	5	-	
French Equatorial Africa	-	26	-	-	-	-	-	
French West Africa	7/	72	42	2	10	1	6	
Gold Coast	11	40	9	-	-	-	-	
Nigeria	5	800	1,152	610	229	527	189	
British West Africa	25	-	-	-	-	-	-	
Western Portuguese Africa	8/	3	-	-	-	-	-	
Liberia	13	88	8	-	-	-	-	
Total Value, 1,000 dollars	82	1,272	1,168	674	339	674	339	
Total Quantity	956	3,063	1,535	1,023	864			

See footnotes at end of circular.

UNITED STATES: Exports of Green River tobacco, calendar year 1954,  
with comparisons, by countries of destination

		(Declared Weight)						
Country of Destination	Averages		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
NORTH AMERICA:								
Canada	5	-	-	-	-	-	-	
CENTRAL AMERICA:								
Panama, Republic of	-	1	-	-	-	-	-	
Bahamas	-	-	-	-	7	-	3	
Haiti	-	5	13	-	-	-	-	
French West Indies	4	-	-	-	-	-	-	
SOUTH AMERICA:								
French Guiana	-	-	-	-	2	-	1	
EUROPE:								
Sweden	11	2/	-	-	-	-	-	
Norway	9	5	-	-	-	-	-	
Denmark	1	-	-	-	-	-	-	
United Kingdom	1,957	505	1,286	1,026	967	384	495	
Ireland	156	57	40	17	3	8	1	
Netherlands	37	243	348	739	177	297	46	
Belgium and Luxembourg	716	201	151	1	131	11/	48	
France	2/	240	-	-	738	-	108	
Germany, West	( 1	( 50	-	-	-	-	-	
Germany, East	(	(	-	-	-	-	-	
Switzerland	-	9	-	-	-	-	-	
Azores	4/	1	-	-	-	-	-	
Spain	-	173	-	-	-	-	-	
Portugal	-	-	-	-	3	-	2	
ASIA:								
Indonesia	-	-	287	-	-	-	-	
AFRICA								
Egypt	1	-	-	-	-	-	-	
Cameroon	-	16	-	-	22	-	11	
French Equatorial Africa	-	1	-	-	6	-	3	
French West Africa	7/	73	11	-	-	-	-	
Gold Coast	46	5	-	-	-	-	-	
Nigeria	-	4	9	13	3	10	2	
British West Africa	1	-	-	-	-	-	-	
Liberia	-	199	126	33	43	18	29	
Total Value, 1,000 dollars	609	595	1,060	717	749	717	749	
Total Quantity	3,019	1,726	2,260	1,829	2,102			

See footnotes at end of circular.

UNITED STATES: Exports of total cigar leaf tobacco, calendar year 1954  
with comparisons, by countries of destination

(Declared Weight)								
Country of Destination	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<u>NORTH AMERICA:</u>								
Canada	73	355	305	598	513	1,670	1,583	
<u>CENTRAL AMERICA:</u>								
Mexico	2/	30	6	9	8	17	18	
Guatemala	-	6	-	2/	2	11/	3	
El Salvador	3	2/	2/	2/	-	11/	-	
Honduras	2/	1	-	2/	-	11/	-	
Nicaragua	2/	24	-	-	-	-	-	
Panama, Republic of	4	5	-	-	-	-	-	
Canal Zone	-	1	-	-	-	-	-	
Bermuda	-	2/	1	-	-	-	-	
Bahamas	-	-	-	-	3	-	2	
Cuba	2/	1	-	-	-	-	-	
Jamaica	2/	7	-	-	10	-	7	
Haiti	-	3	2	3	1	2	1	
Dominican Republic	2/	1	55	14	3	12	3	
Leeward and Windward Islands	-	1	-	-	-	-	-	
Trinidad and Tobago	-	7	-	-	-	-	-	
Other British West Indies	1	-	-	-	-	-	-	
<u>SOUTH AMERICA:</u>								
Colombia	1	11	2	9	13	41	70	
Venezuela	-	2/	2/	1	1	4	4	
Surinam	-	7	2	2	1	4	2	
French Guiana	3	-	-	-	-	-	-	
Chile	2/	4	-	-	-	-	-	
Brazil	2/	66	88	124	62	401	112	
Paraguay	-	1	-	-	-	-	-	
Uruguay	-	1	1	2	2	5	7	
Argentina	2/	40	-	-	-	-	-	
<u>EUROPE:</u>								
Sweden	-	308	121	45	180	66	221	
Norway	1	28	2	2	3	4	6	
Denmark	-	930	154	281	185	278	212	
United Kingdom	134	55	3	15	17	22	27	
Ireland	-	2	-	-	-	-	-	
Netherlands	80	811	507	527	312	447	239	
Belgium and Luxembourg	23	625	523	926	606	755	436	
France	140	2/	2	16	75	9	90	
Germany, West	( 339	( 4,451	4,040	2,817	2,341	3,114	2,536	
Germany, East	(	(	-	1,305	55	1,000	27	
Austria	2	344	157	178	204	258	276	
Czechoslovakia	-	14	-	-	18	-	42	
Switzerland	-	190	24	29	302	48	346	
Finland	-	44	-	-	1	-	2	
U.S.S.R.	-	12	-	-	-	-	-	
Azores	4/	4	3	4	4	7	7	
Spain	-	22	-	-	-	-	-	

continued -

UNITED STATES: Exports of total cigar leaf tobacco, calendar year 1954,  
with comparisons, by countries of destination

(Declared Weight)								
Country of Destination	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	1954 1/
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	1,000 dollars
Portugal	-	36	-	-	-	-	-	-
Gibraltar	2/	8	14	65	8	15	2	
Malta, Gozo, and Cyprus	-	11	-	-	-	-	-	-
Free Territory of Trieste	-	9	-	-	-	-	-	-
Yugoslavia	-	-	-	18	-	13	-	-
ASIA:								
Israel and Palestine	-	8	8	14	-	19	-	-
India	-	3	3	2	1	5	2	
Ceylon	-	-	-	-	90	-	81	
Indochina	-	15	342	275	123	90	56	
Indonesia	1	-	-	-	-	-	-	-
Philippines, Republic of	449	81	36	51	32	123	112	
China	-	2	-	-	-	-	-	-
Taiwan (Formosa)	-	-	-	3	-	6	-	-
Japan	1	-	-	-	-	-	-	-
OCEANIA:								
Australia	1	34	3	6	48	6	62	
New Zealand	2/	2	-	2	2	3	5	
AFRICA:								
French Morocco	-	183	-	-	-	-	-	-
Tangier	-	6	3	8	7	7	8	
Algeria	( 1	761	192	132	26	83	59	
Tunisia	(	84	60	-	-	-	-	-
Egypt	1	2/	-	-	-	-	-	-
Canary Islands	2/	47	49	39	77	35	104	
Spanish Africa	-	2	-	-	-	-	-	-
Cameroon	-	13	53	-	-	-	-	-
French Equatorial Africa	-	2/	-	66	-	17	-	-
French West Africa	7/	1	33	-	-	-	-	-
Gold Coast	1	1	-	-	-	-	-	-
Nigeria	1	6	-	-	-	-	-	-
British West Africa	2	-	-	-	-	-	-	-
Madeira Islands	-	1	-	-	-	-	-	-
Angola	-	1	-	-	-	-	-	-
Western Portuguese Africa	8/	1	3	-	-	-	-	-
Liberia	1	8	-	-	-	-	-	-
Mozambique	3	-	-	-	-	-	-	-
Union of South Africa	2/	2/	1	-	-	-	-	-
Estimated Shipments 2/	-	-	-	-	36	-	18	
Total Value, 1,000 dollars	524	10,565	7,282	8,586	6,788	8,586	6,788	
Total Quantity	1,269	12/ 9,770	6,762	7,588	5,372			

See footnotes at end of circular.

UNITED STATES: Exports of cigar wrapper 13/ calendar year 1954  
with comparisons by countries of destination

Country of Destination	(Declared Weight)					
	1949-51 (average)	1952	1953 <u>1/</u>	1954 <u>1/</u>	1953 <u>1/</u>	1954 <u>1/</u>
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
<b>NORTH AMERICA:</b>						
Canada	281	140	390	397	1,469	1,454
<b>CENTRAL AMERICA:</b>						
Mexico	4	5	9	8	17	18
Guatemala	-	-	-	2	-	3
Haiti	2/	1	1	1	2	1
Dominican Republic	1	1	6	1	6	2
Jamaica	-	-	-	10	-	7
<b>SOUTH AMERICA</b>						
Colombia	10	2	9	13	41	70
Venezuela	2/	2/	1	1	4	4
Surinam	2	1	2	1	4	2
Brazil	85	88	124	62	401	112
Uruguay	1	1	2	2	5	7
Argentina	2	-	-	-	-	-
<b>EUROPE:</b>						
Sweden	2/	5	25	14	36	18
Norway	2	2	2	3	4	6
Denmark	262	59	173	100	159	126
United Kingdom	3	2	-	13	-	24
Netherlands	118	172	194	182	242	176
Belgium and Luxembourg	98	158	407	377	311	240
France	2/	2	16	71	9	89
Germany, West	( 2,209	2,300	2,196	1,774	2,441	2,006
Germany, East	(	-	143	-	279	-
Austria	121	-	36	21	82	45
Czechoslovakia	8	-	-	18	-	42
Switzerland	21	11	13	150	31	190
Finland	-	-	-	1	-	2
U.S.S.R.	19	-	-	-	-	-
Azores	3	3	4	4	7	7
Gibraltar	-	-	7	-	1	-
Free Territory of Trieste	1	-	-	-	-	-
<b>ASIA:</b>						
Israel and Palestine	2/	3	6	-	11	-
India	2	3	2	1	5	2
Ceylon	-	-	-	90	-	81
Indochina	7	2	3	13	7	23
Philippines, Republic of	52	36	51	32	123	112
Taiwan (Formosa)	-	-	3	-	6	-
<b>OCEANIA:</b>						
Australia	3	-	-	2	-	2
New Zealand	-	-	1	2	2	5
<b>AFRICA:</b>						
Tangier	5	3	8	7	7	8
Algeria	17	11	28	26	65	59
Canary Islands	34	49	39	77	35	104
Spanish Africa	3	-	-	-	-	-
Union of South Africa	2/	1	-	-	-	-
Estimated Shipments <u>2/</u>	-	-	-	15	-	18
Total Value, 1,000 dollars	6,117	4,474	5,812	5,065	5,812	5,065
Total Quantity	3,374	3,061	3,901	3,491		

See footnotes at end of circular.

UNITED STATES: Exports of cigar binder tobacco 13/ calendar year 1954,  
with comparisons, by countries of destination

(Declared weight)							
Country of Destination	1949-51 (average)	1952	1953 <u>1/</u>	1954 <u>1/</u>	1953 <u>1/</u>	1954 <u>1/</u>	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<u>NORTH AMERICA:</u>							
Canada	80	103	136	116	159		129
<u>CENTRAL AMERICA:</u>							
Mexico	12	-	-	-	-	-	-
Guatemala	8	-	-	-	-	-	-
Honduras	1	-	-	-	-	-	-
Nicaragua	9	-	-	-	-	-	-
Panama, Republic of	4	-	-	-	-	-	-
Haiti	4	<u>2/</u>	1	-	1	-	-
Dominican Republic	-	54	8	2	6	-	1
Trinidad and Tobago	4	-	-	-	-	-	-
<u>SOUTH AMERICA:</u>							
Surinam	7	-	-	-	-	-	-
Brazil	3	-	-	-	-	-	-
<u>EUROPE:</u>							
Sweden	78	116	20	166	30		203
Norway	11	-	-	-	-	-	-
Denmark	379	96	108	85	119		86
United Kingdom	28	1	15	4	22		3
Netherlands	569	335	333	99	205		55
Belgium and Luxembourg	436	333	504	223	440		194
France	-	-	-	4	-		1
Germany, West	( 2,745	1,398	614	567	669		522
Germany, East	(	231	1,162	55	721		27
Austria	260	157	142	183	176		231
Switzerland	46	13	16	152	17		156
Spain	37	-	-	-	-		-
Portugal	32	-	-	-	-		-
Malta, Gozo, and Cyprus	15	-	-	-	-		-
Italy	1	-	-	-	-		-
Free Territory of Trieste	14	-	-	-	-		-
Yugoslavia	-	-	18	-	13		-
<u>ASIA:</u>							
Israel and Palestine	5	5	8	-	8		-
Indochina	10	3	8	-	6		-
China	3	-	-	-	-		-
<u>OCEANIA:</u>							
Australia	10	3	6	46	6		60
New Zealand	4	-	1	-	1		-
<u>AFRICA:</u>							
Algeria	44	-	-	-	-		-
Tunisia	5	-	-	-	-		-
Cameroon	10	-	-	-	-		-
French West Africa	12	-	-	-	-		-
Gold Coast	1	-	-	-	-		-
Angola	2	-	-	-	-		-
Western Portuguese Africa	5	-	-	-	-		-
Estimated Shipments <u>2/</u>	-	-	-	21	-		8
Total Value, 1,000 dollars	4,722	2,500	2,599	1,676	2,599		1,676
Total Quantity	4,894	2,848	3,100	1,723			

See footnotes at end of circular.

UNITED STATES: Exports of cigar filler tobacco 13/calendar year 1954,  
with comparisons by country of destination

(Declared Weight)							
Country of Destination	1949-51 (average)	1952	1953 <u>1/</u>	1954 <u>1/</u>	1953 <u>1/</u>	1954 <u>1/</u>	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<u>NORTH AMERICA:</u>							
Canada	16	61	72	-	42	-	
<u>CENTRAL AMERICA:</u>							
Mexico	2	1	-	-	-	-	
Bermuda	<u>2/</u>	1	-	-	-	-	
Bahamas	-	-	-	3	-	2	
Jamaica	1	-	-	-	-	-	
Haiti	2	1	1	-	<u>11/</u>	-	
<u>SOUTH AMERICA:</u>							
Colombia	4	-	-	-	-	-	
<u>EUROPE:</u>							
Norway	4	-	-	-	-	-	
Denmark	17	-	-	-	-	-	
Netherlands	38	<u>2/</u>	-	31	-	8	
Belgium and Luxembourg	124	32	15	6	4	2	
Germany, West	( 1,965	112	7	-	2	-	
Germany, East	(	-	-	-	-	-	
Austria	97	-	-	-	-	-	
Switzerland	12	-	-	-	-	-	
Gibraltar	14	14	58	8	14	2	
<u>ASIA:</u>							
Indochina	-	337	264	110	78	33	
Philippines, Republic of	66	-	-	-	-	-	
<u>AFRICA:</u>							
French Morocco	226	-	-	-	-	-	
Algeria	1,150	181	104	-	18	-	
Tunisia	110	60	-	-	-	-	
Cameroon	10	53	-	-	-	-	
French Equatorial Africa	-	-	66	-	17	-	
French West Africa	43	-	-	-	-	-	
Total Value, 1,000 dollars	1,322	309	175	47	175	47	
Total Quantity	3,901	853	587	158			

See footnotes at end of circular.

UNITED STATES: Exports of Perique tobacco, calendar year 1954,  
with comparisons, by country of destination

		(Declared Weight)						
Country of Destination	Average							
	1935-39	1947-51	1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
NORTH AMERICA:								
Canada	26	9	-	3	3	3	3	
SOUTH AMERICA:								
Colombia	-	1	-	-	-	-	-	
Uruguay	-	-	-	-	1	-	1	
Argentina	1	-	-	-	-	-	-	
EUROPE:								
Sweden	2/	5	-	-	-	-	-	
Norway	13	17	11	20	10	16	9	
Denmark	2/	1	2	4	-	3	-	
United Kingdom	86	37	39	36	34	41	42	
Ireland	1	2/	2	-	-	-	-	
Netherlands	1	1	-	1	-	1	-	
Belgium and Luxembourg	1	1	-	-	-	-	-	
Germany, West	( 1	( 1	-	-	-	-	-	
Germany, East	(	(	-	-	-	-	-	
Austria	-	1	-	-	-	-	-	
Switzerland	2/	5	-	2	2	2	2	
Finland	2	-	-	-	-	-	-	
ASIA:								
Japan	-	-	6	-	-	-	-	
Total Value, 1,000 dollars	52	62	53	66	57	66	57	
Total Quantity	132	79	60	66	50			

See footnotes at end of circular.

UNITED STATES: Exports of Trimmings, stems, and scrap tobacco,  
calendar year 1954, with comparisons by country of destination

Country of Destination	(Declared Weight)							
	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
<u>NORTH AMERICA:</u>								
Canada	1	2/	5	9	93	2	33	
<u>CENTRAL AMERICA:</u>								
Mexico	2	-	-	-	-	-	-	
Cuba	-	-	-	-	80	-	2	
Netherlands Antilles	2	-	-	-	-	-	-	
Other British West Indies	1	-	-	-	-	-	-	
<u>SOUTH AMERICA:</u>								
Uruguay	-	21	9	28	47	16	17	
<u>EUROPE:</u>								
Sweden	1,060	1,108	864	519	530	43	50	
Norway	108	98	376	387	238	32	21	
Denmark	201	316	198	244	178	39	14	
United Kingdom	169	46	-	2	11	1	3	
Ireland	-	-	-	-	1	-	11/	
Netherlands	20	353	147	64	241	18	58	
Belgium and Luxembourg	67	65	56	40	41	5	7	
France	1	-	-	-	-	-	-	
Germany, West	( 1,277	( 197	236	279	70	41	11	
Germany, East	(	(	-	-	-	-	-	
Austria	-	34	-	-	-	-	-	

continued -

UNITED STATES: Exports of Trimmings, stems, and scrap tobacco,  
calendar year 1954, with comparisons by country of destination

Country of Destination	(Declared Weight)							
	Average		1952	1953 1/	1954 1/	1953 1/	1954 1/	
	1935-39	1947-51						
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars	
Switzerland	16	36	71	75	7	15	2	
Finland	1	-	-	-	-	-	-	
Latvia	2	-	-	-	-	-	-	
Poland and Danzig	9	-	-	-	-	-	-	
Spain	2	1	-	-	529	-	52	
Gibraltar	3	-	-	40	40	8	9	
Malta, Gozo, and Cyprus	2	3	-	-	-	-	-	
ASIA:	-	-	-	-	-	-	-	
Israel and Palestine	-	2	-	-	-	-	-	
Jordan	-	38	144	58	101	4	11	
Kuwait	-	10	-	-	-	-	-	
Indochina	2	-	-	-	-	-	-	
Indonesia	10	-	-	-	-	-	-	
Macao	-	-	20	-	-	-	-	
Philippines, Republic of	203	120	111	-	53	-	48	
China	15,180	4,623	-	-	-	-	-	
Kwantung	774	-	-	-	-	-	-	
Hong Kong	2	627	75	31	-	2	-	
Japan	421	-	-	-	-	-	-	
OCEANIA:	-	-	-	-	-	-	-	
Australia	-	-	-	-	16	-	9	
AFRICA:	-	-	-	-	-	-	-	
French Morocco	-	134	453	-	204	-	21	
Tangier	-	200	703	1,093	97	108	10	
Algeria	( 6	-	-	-	-	-	-	
Tunisia	(	-	-	-	-	-	-	
Egypt	-	5	-	-	-	-	-	
Canary Islands	76	45	106	154	85	26	14	
Spanish Africa	2/	34	48	-	-	-	-	
French West Africa	7/	9	-	-	-	-	-	
Madeira	-	-	-	4	-	6	-	
Western Portuguese Africa	8/	5	-	-	-	-	-	
Estimated Shipments 9/	-	-	-	-	65	-	7	
Total Value, 1,000 dollars	466	647	387	366	399	366	399	
Total Quantity	19,632	8,116	3,622	3,027	2,727	-	-	

Footnotes

- 1/ Preliminary.
- 2/ Less than 500 pounds.
- 3/ West Germany.
- 4/ Includes Madeira Islands for 1935-39.
- 5/ Class established January 1954.
- 6/ Does not include 1,313 thousand pounds to Kwantung which is included in grand total.
- 7/ Includes all French possessions in Africa, n.e.i.
- 8/ Includes all Portuguese possessions in Africa, n.e.i.
- 9/ Estimated shipments are estimates based on 10 percent sample shipments valued \$100-499. See Census Publication No. FT-410, Part 1, page 3, Jan-Nov. 1954.
- 10/ Class established January 1952.
- 11/ Less than \$500.
- 12/ Includes 110 thousand pounds shipped to Germany in 1947 under Army Civilian Supply Program.
- 13/ Class breakdown established January 1949.

Compiled in Foreign Agricultural Service from records of the Bureau of the Census.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 11-55

★ JUN 28 1955

April 4, 1955

## TOBACCO FOR HARVEST, ~~U. S. DEPT. OF AGRICULTURE~~ FIRST HALF, CALENDAR YEAR 1955

The production of leaf tobacco for harvest in the first half of calendar year 1955, chiefly in the southern hemisphere, is forecast at 2,133 million pounds, about the same as the 1954 output, but about 19 percent above the 1947-51 average.

Only the production for harvest in the first half of calendar year 1955 is included in this forecast. In several countries tobacco is harvested in both 6-month periods of the year. Production in such countries is included in this forecast if most of the crop is harvested in the first half of the year 1/.

The largest decreases in production as compared to 1954 are reported in Brazil, Southern Rhodesia, India, Indochina, Venezuela, and Nigeria. However, the decreases were offset almost entirely by increases in Indonesia, Philippine Islands, Dominican Republic, Thailand, Pakistan, Union of South Africa, Mexico, and Taiwan. Total flue-cured tobacco production is expected to be slightly above the 1954 level, primarily as a result of increases in most of the countries in Asia, but will be down considerably in Southern Rhodesia and India. Total output of dark air-cured tobacco is down from last year as a result of a sharp decline in Brazilian cigar leaf.

### North America, Including the Caribbean Area

Forecasts of production of tobacco for harvest in the first half of calendar year 1955 in the North American countries are for 275.1 million pounds. This is 4.4 percent above 1954, and is almost 9 percent above average output in the 1947-51 period. A large increase as compared to 1954 is forecast for the Dominican Republic with Mexico, El Salvador, and Guatemala also expecting increases. A smaller crop is expected in Puerto Rico.

### South America

Production in South America for harvest in the first half of the calendar year is forecast at 442.6 million pounds, a decline of almost 21 million pounds, or 4.5 percent as compared to 1954 but about 16 percent above the 1947-51 average.

The forecast for Brazilian Bahia cigar tobacco is placed at 16.5 million pounds as a result of severe drought conditions in the early part of the season. This is only one-fourth of the output from this area in 1954. Production could

1/ Included in this category are Colombia, Madagascar, Ceylon, Pakistan, Indonesia, and Thailand.

be considerably larger than forecast if weather conditions should improve. Flue-cured production in Brazil is expected to be almost 10 percent above the 1954 crop and other dark air-cured tobacco used principally for cigarettes is expected to be one-third above last year.

Indications are that the 1955 harvest in Venezuela and Argentina will be below output in 1954, while production in Paraguay should be above last year, when unfavorable weather, insects, and diseases sharply reduced the crop.

### Africa

Leaf tobacco for harvest in Africa in the first half of calendar year 1955 is forecast at 233.9 million pounds, 5.2 percent below the 1954 harvest, but almost 12.3 percent above the 1947-51 average output. Flue-cured production in Southern Rhodesia is forecast at 109.7 million pounds, a decrease of more than 10.5 million pounds, or 8.8 percent as compared to 1954. The dark air-cured crop in Nigeria and fire-cured crop in Nyasaland are expected to be lower than in 1954, while in the Union of South Africa the crop is forecast at 3.2 million pounds above the 1954 harvest.

### Asia

Production in Asia for harvest in the first half of 1955 is estimated at 1,169 million pounds, 21.5 million pounds, or almost 2 percent above the 1954 harvest, and about one-fourth more than average production in the 1947-51 period.

The largest increases are in Indonesia and the Philippine Islands, while smaller increases, primarily in flue-cured tobacco are forecast for Thailand, Taiwan and Pakistan. Harvest in Indonesia is forecast at 15.7 percent above 1954. Although production of cigar types is expected to be higher than in any year since World War II, the estimated harvest of cigar leaf for 1955 is just a little over one-half of the prewar output. Flue-cured production in Indonesia is expected to be 4.8 million pounds higher in 1955 than in 1954. In the Philippines efforts to stimulate production of flue-cured tobacco by price incentives are expected to result in a harvest considerably above that in 1954. An increase is also forecast for dark air-cured.

In India the forecast of flue-cured tobacco production indicates a decline of 11 million pounds, as compared to 1954, in spite of a slight increase in acreage. Tobacco production in Indochina will probably be lower as a result of the internal situation there.

### Oceania

Leaf tobacco for harvest in 1955 in Oceania is estimated at 12.5 million pounds, just 3 percent below the 1954 harvest. A slight decline in production (almost all flue-cured) is expected in both Australia and New Zealand, in spite of efforts in Australia to encourage production.

## FORECAST OF PRODUCTION BY KIND

### Flue-cured

Preliminary estimates of flue-cured tobacco production for harvest in the first half of calendar year 1955 indicate a slight increase as compared to 1954. Production is forecast at 448.8 million pounds, less than 1 percent above last

year's harvest, but 61 percent above the 1947-51 average and more than 5 times as great as the 1935-39 average output in the same countries.

Decreases of 10.5 million pounds in Southern Rhodesia and 11 million pounds in India are reported in spite of small increases in planted acreages in the two countries. Unfavorable weather in the early part of the growing season reduced the prospects in Southern Rhodesia. Actual output may be somewhat higher than estimated in India as well as in Southern Rhodesia if weather conditions improve.

Several countries including Brazil, Indochina, Thailand, Pakistan, the Philippines, Taiwan, and Argentina expect a larger flue-cured harvest in 1955 than in 1954.

LEAF TOBACCO: Estimated production by kind harvested in the first half of calendar year 1955, with comparisons -- farm sales weight 1/

Kinds	:	1935-39	:	1947-51	:	1954	:	1955 <u>2/</u>
	:	1,000	:	1,000	:	1,000	:	1,000
	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>
	:		:		:		:	
Flue-cured	:	84,310	:	278,662	:	447,905	:	448,777
Burley	:	409	:	9,007	:	13,168	:	13,965
Other light air-	:		:		:		:	
cured	:	23,690	:	24,342	:	18,004	:	19,146
Dark air-cured	:	1,793,187	:	1,204,391	:	1,366,699	:	1,361,710
Light sun-cured	:	130,384	:	135,565	:	144,788	:	147,685
Dark sun-cured	:	77,164	:	104,659	:	112,705	:	112,797
Fire-cured	:	18,541	:	29,775	:	29,764	:	27,787
Oriental	:	1,455	:	2,746	:	1,167	:	1,275
	:		:		:		:	
Total	:	2,129,140	:	1,789,149	:	2,134,200	:	2,133,142

1/ Farm sales weight is about 10 percent above the dry weight normally reported in manufacturing and export statistics.

2/ Preliminary.

### Burley

The estimated production of Burley tobacco for harvest in the first half of 1955 is almost 14 million pounds. This is an increase of 800,000 pounds as compared to the 1954 crop, and is 55 percent above the 1947-51 average. Most of the increase is in Brazil and the Central American countries, while Venezuela expects a smaller crop than in 1954.

### Other Light Air-cured

The production of other light air-cured tobacco, which includes all light air-cured except Burley, is forecast at 19.1 million pounds for the first half of 1955. This is 6 percent above the 1954 harvest but is one-fifth below the 1947-51 level. A large amount of tobacco in Brazil previously classed as light air-cured is now included with dark air-cured leaf.

LEAF TOBACCO: Estimated acreage, yield and production of specified countries harvested in the first half of calendar year 1955, with comparisons - farm sales weight 1/

Continent and Country	Acreage Harvested				Yield per Acre				Production			
	Average				Average				Average			
	1935-39	1947-51	1954	1955 2/	1935-39	1947-51	1954	1955 2/	1935-39	1947-51	1954	1955 2/
	acres	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>												
Costa Rica	2 1/2	4	3	3	3	700	730	730	3	2,522	2,110	2,110
El Salvador	4	3	3	4	4	467	408	477	4	1,123	1,058	1,832
Guatemala	5	7	7	7	390	567	510	593	1,892	4,065	3,449	4,184
Honduras	4	11	14	14	4	606	432	432	4	4,500	6,180	6,180
Mexico	51	90	88	89	750	882	882	904	38,200	79,425	77,602	80,468
Nicaragua	1	2	3	3	900	775	850	850	800	1,150	2,850	2,850
Republic of Panama	2 1/2	2	2	2	2	450	450	450	2	720	720	900
<b>CARIBBEAN:</b>												
Cuba	108	132	154	155	429	550	593	590	48,092	72,751	91,100	91,300
Dominican Republic	25	45	47	52	985	1,050	883	971	24,625	47,178	41,525	50,500
Haiti	2 1/2	2	2	2	2	370	380	375	2	7,500	2,000	2,000
Jamaica	3	6	2	2	3	784	843	839	2,219	2,219	778	750
Puerto Rico	44	33	40	37	673	784	843	839	29,393	26,003	34,140	32,037
Total for Countries Shown	242	335	363	368	-	-	-	-	148,252	252,571	263,512	275,111
<b>SOUTH AMERICA:</b>												
Argentina	29	67	78	76	965	926	848	855	27,983	61,140	66,425	64,760
Bolivia	3	3	3	3	700	700	676	700	2,500	2,100	2,126	2,100
Brazil	250	337	433	435	811	692	685	639	202,703	233,120	296,018	277,780
Chile	9	9	8	8	1,846	1,670	1,707	1,700	16,618	14,719	13,161	13,270
Colombia	4	37	69	69	4	803	853	853	4	31,697	45,027	58,863
Paraguay	22	16	15	16	808	1,150	743	850	17,792	18,438	11,023	13,500
Uruguay	1	1	1	1	860	967	1,129	1,125	1,254	957	837	835
Venezuela	10	8	17	14	825	626	882	830	7,700	6,224	14,991	11,629
Total for Countries Shown	361	488	624	622	-	-	-	-	308,247	381,725	463,444	442,574

<b>AFRICA:</b>													
Kenya	3/	3/	3/	3/	3/	3/	3/	3/	3/	300	851	520	520
Lyaoaland	2/	2/	2/	2/	2/	2/	2/	2/	2/	15,751	28,627	33,153	31,000
Tanganyika	3/	3/	3/	3/	3/	3/	3/	3/	3/	874	4,419	5,384	5,300
Uganda	4	7	9	9	400	380	420	420	420	1,500	2,671	3,780	3,780
Madagascar	19	12	20	20	764	620	446	446	446	14,164	7,190	8,708	8,680
Mauritius	1	1	1	1	1,200	1,335	1,385	1,522	1,522	650	758	1,058	1,015
Mozambique	4/	1	4	5	4/	385	400	400	400	467	1,535	2,220	2,220
Nigeria	56	58	69	65	400	400	400	372	372	22,800	23,490	27,060	24,180
Northern Rhodesia	4	14	15	15	400	475	550	550	550	1,585	6,656	8,235	8,230
Southern Rhodesia	50	136	175	175	504	626	690	630	630	26,150	84,740	121,099	110,237
Union of South Africa	47	93	70	74	523	510	510	500	500	24,272	47,421	35,550	38,740
Total for Countries Shown	182	325	364	364	-	-	-	-	-	108,613	208,358	246,767	233,902
<b>ASIA:</b>													
Burma	108	121	136	132	726	780	796	808	808	78,400	94,528	108,416	106,490
Ceylon	4/	14	4/	14	615	573	536	510	510	9,000	5,730	6,700	7,200
Pakistan	355	141	192	200	5/	808	1,045	1,020	1,020	324,053	113,883	200,627	204,000
India	5/	917	812	890	886	5/	674	644	630	5/	547,150	573,440	561,500
Indochina	4/	44	4/	45	728	580	735	708	708	32,004	15,000	33,100	25,500
Indonesia	449	180	358	358	532	346	431	400	400	238,775	62,230	123,386	143,299
Republic of Philippines	176	100	92	120	474	500	431	440	440	82,292	49,938	39,603	53,000
Taiwan	4	15	14	15	1,490	965	1,551	1,554	1,554	5,961	14,260	21,715	23,850
Thailand	53	83	107	118	4/	380	375	375	375	4/	35,200	40,102	44,202
Total for Countries Shown	2,120	1,488	1,847	1,879	-	-	-	-	-	1,557,385	937,919	1,147,589	1,169,941
<b>OCEANIA:</b>													
Australia	10	5	8	9	532	789	947	822	822	5,276	3,649	7,701	7,450
New Zealand	2	4	3	3	787	1,206	1,615	1,644	1,644	1,367	4,925	5,187	5,064
Total for Countries Shown	12	9	11	12	-	-	-	-	-	6,643	8,574	12,888	12,514
TOTAL FOR ALL COUNTRIES SHOWN	2,917	2,645	3,209	3,245	-	-	-	-	-	2,129,140	1,789,147	2,134,200	2,133,142

1/ Farm sales weight is about 10 percent above the average dry weight, which is normally reported in export trade statistics. 2/ Preliminary. 3/ Not available.  
4/ Less than a 5-year average. 5/ Recently methods of estimating acreage and production have changed in an effort to improve data; therefore, data for 1935-39 are not comparable with later information.

Foreign Agricultural Service. Official estimates of foreign countries, reports from Agricultural Attaches and other U. S. representatives abroad, results of office research, and other information.

Production of light air-cured tobacco is increasing in Nigeria for use in the manufacture of cigarettes.

#### Dark Air-cured

Dark air-cured leaf for harvest in the first half of calendar year 1955 is estimated at 1,362 million pounds. This is a slight decrease as compared to 1954, but is 13 percent higher than the 1947-51 level.

The drop of 48 million pounds forecast for Bahia cigar leaf in Brazil as compared to the 1954 harvest was partially offset by increases in Indonesia and the Dominican Republic as well as in the other air-cured tobacco for cigarettes in Brazil.

#### Light Sun-cured

The estimated output of light sun-cured tobacco in the first 6 months of 1955 is 147.7 million pounds, 2 percent above 1954 production and almost 9 percent above the 1947-51 level. Indian Natu tobacco which was previously included with dark sun-cured tobacco is now classed as light sun-cured.

Increases in production are expected in Mexico and in Paraguay where drought and pests reduced the 1954 crop.

#### Dark Sun-cured

Production of dark sun-cured tobacco for harvest in the first half of 1955 is forecast at 112.8 million pounds. This is about the same as 1954 production and is almost 8 percent above the 1947-51 average.

#### Fire-cured

Fire-cured tobacco for harvest in the first 6 months of the calendar year is forecast at 27.8 million pounds, 6.6 percent below the level of 1954 and the 1947-51 period. In Nyasaland, where more than three-fourths of the fire-cured tobacco for harvest in the first half of the year is grown, the number of growers registered to produce fire-cured tobacco is one-fifth below the number in 1954 in an effort to restrict production to more adapted areas and improve quality.

#### Oriental (Turkish) and Semi-Oriental

The forecast for oriental tobacco for harvest in the first half of 1955, most of which is grown in the southern part of Africa, is placed at 1,275,000 pounds. This is slightly above the 1954 harvest but is below the 1935-39 level and is less than half the output in the 1947-51 period.

FLUE-CURED TOBACCO: Estimated acreage, yield and production in specified countries harvested in the first half of calendar year 1955, with comparisons - farm sales weight 1/

Continent and Country	Acreage Harvested			Yield Per Acre			Production		
	Average	1947-51	1954	Average	1947-51	1954	Average	1947-51	1954
	1935-39 acres	1,000 acres	1,000 acres	1935-39 pounds	1947-51 pounds	1954 pounds	1935-39 pounds	1947-51 pounds	1954 pounds
<b>NORTH AMERICA:</b>									
Costa Rica	2/	4/	4/	3/	5/	500	3/	5/	205
El Salvador	4/	2	2	320	345	416	50	671	839
Guatemala	4/	1	4/	530	580	958	132	476	254
Honduras	3/	4/	4/	3/	405	600	3/	120	180
Mexico	1	4	4	720	850	982	700	3,579	4,123
Nicaragua	-	1	1	-	900	1,000	-	700	1,100
Jamaica	3/	3/	3/	3/	3/	3/	3/	3/	75
<b>SOUTH AMERICA:</b>									
Argentina	1	9	28	1,000	887	832	599	7,983	23,148
Brazil	10	35	42	1,200	1,299	1,330	12,549	45,498	56,217
Chile	4/	4/	1	1,300	1,464	1,346	203	478	705
Venezuela	-	3	12	-	881	900	-	2,724	10,803
<b>AFRICA:</b>									
Kenya	-	3/	3/	-	3/	3/	-	340	220
Nyasaland	3/	5	6	3/	539	700	2,267	2,697	4,306
Tanganyika	3/	3/	3/	3/	3/	3/	6	1,992	3,320
Uganda	3/	1	2	3/	450	440	3/	235	880
Mauritius	1	1	1	1,200	1,233	1,267	430	514	631
Mozambique	-	3	4	-	383	400	-	1,150	2,000
Nigeria	-	1	1	-	400	437	-	230	270
Northern Rhodesia	4	13	14	400	460	571	1,500	5,986	8,000
Southern Rhodesia	46	130	173	509	634	695	24,623	82,382	120,251
Union of South Africa:									
Amarello	3/	3/	-	3/	3/	-	2,715	21,425	-
Orinoco	-	3/	3/	-	3/	3/	-	410	17,200
<b>ASIA:</b>									
Burma	-	4/	1	-	700	747	-	88	896
Ceylon	-	2	5	-	475	500	-	950	2,500
Pakistan	-	5/	7	-	5/	987	-	5/	6,700
India	60	120	171	440	533	622	26,900	64,510	106,000
Indochina	-	4/	1	-	550	550	-	450	600
Indonesia	-	2	21	-	5/	723	-	777	15,212
Republic of Philippines	1	4/	7	550	525	670	342	261	4,522
Thailand	3	29	60	280	300	367	900	8,200	22,046
Taiwan	3	14	14	1,200	965	1,551	3,751	13,740	21,715
<b>OCEANIA:</b>									
Australia	10	5	8	532	789	947	5,276	3,649	7,701
New Zealand	2	4	3	683	1,206	1,615	1,367	4,825	5,176
<b>TOTAL COUNTRIES SHOWN</b>							84,310	278,662	447,905
									448,777

See footnotes at end of circular.

Continent and Country	Acreage Harvested				Yield Per Acre				Production			
	Average		1954		Average		1954		Average		1954	
	1935-39	1947-51	1,000	acres	1935-39	1947-51	1935-39	1947-51	1,000	1935-39	1947-51	1935-39
<b>NORTH AMERICA:</b>												
Costa Rica	-	-	4/	4/	-	-	400	400	-	-	5	5
El Salvador	-	-	4/	4/	-	-	667	1,117	-	-	44	405
Guatemala	-	4/	2/	2/	-	721	760	761	-	70	152	304
Mexico	4/	1	2	2	1,200	1,340	1,057	1,003	300	1,700	1,830	1,984
Nicaragua	-	4/	4/	4/	-	700	800	800	-	50	150	150
<b>SOUTH AMERICA:</b>												
Argentina	4/	4/	6/	6/	638	500	6/	6/	99	496	6/	6/
Brazil	-	1	3	4/	-	1,200	1,020	1,070	-	2,000	3,472	3,858
Chile	-	4/	4/	4/	-	1,650	1,917	1,900	-	171	265	285
Venezuela	-	2	3	2	-	873	882	825	-	1,550	2,645	1,984
<b>AFRICA:</b>												
Nyasaland	-	2	3	3	-	475	600	600	-	1,025	1,949	2,000
Northern Rhodesia	2/	2/	2/	2/	2/	2/	2/	2/	10	205	105	100
Union of South Africa	-	-	3/	3/	-	-	3/	3/	-	-	300	400
<b>ASIA:</b>												
India	-	3	3	4	-	500	700	625	-	1,640	2,240	2,500
<b>OCEANIA:</b>												
New Zealand	-	4/	4/	4/	-	1,200	1,600	1,600	-	100	11	10
<b>TOTAL COUNTRIES SHOWN</b>									409	9,007	13,168	13,965

Continent and Country	Acreage Harvested				Yield Per Acre				Production			
	Average		1954	1955 2/	Average		1954	1955 2/	Average		1954	1955 2/
	1935-39	1947-51	1,000	1,000	1935-39	1947-51	1935-39	1947-51	1935-39	1947-51	1935-39	1947-51
	acres	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>SOUTH AMERICA:</b>												
Argentina	4	6	5	5	1,116	1,100	1,033	770	4,984	6,598	4,850	4,189
<b>AFRICA:</b>												
Madagascar:												
Maryland	17	11	19	19	750	567	445	445	12,764	6,240	8,377	8,350
Mauritius:												
Amarelio	4/	4/	4/	4/	1,400	1,616	1,605	2,040	220	244	427	367
Nigeria	1	1	4	7	-	400	400	425	-	260	1,550	3,000
Union of South Africa	3/	3/	3/	3/	3/	3/	3/	3/	5,722	11,000	2,800	3,240
TOTAL COUNTRIES SHOWN									23,690	24,342	18,004	19,146

See footnotes at end of circular.

DARK AIR-CURED TOBACCO: Estimated acreage, yield and production in specified countries harvested in the first half of calendar year 1955 with comparisons - farm sales weight 1/

Continent and Country	Acreage Harvested			Yield Per Acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA:									
El Salvador (incl. cigar)	1	1	4/	650	625	631	700	452	175
Guatemala	5	6	6	382	563	490	1,760	3,519	3,449
Honduras	7	11	14	606	684	432	4,500	7,795	6,000
Nicaragua	37	48	42	667	700	777	25,000	34,100	33,069
Costa Rica	1	1	2	800	415	750	800	400	1,500
Chilecage	-	-	4/	-	-	600	-	-	100
Shade grown	2/	2	2	3/	450	450	3/	720	900
Republic of Panama	44	33	40	673	784	843	29,393	26,003	34,140
(incl. Canal Zone)									
Puerto Rico	25	45	47	985	1,050	883	24,625	47,178	41,525
Dominican Republic:	2/	2/	2/	3/	3/	3/	3/	7,500	2,000
Guadalupe and Orlor	2/	2/	2/	3/	3/	3/	3/	2,219	603
Haiti:	2/	2/	2/	3/	3/	3/	3/	3/	100
Cigar	2/	2/	2/	3/	3/	3/	3/	3/	3/
Native (cow tongue)	2/	2/	2/	3/	3/	3/	3/	3/	3/
SOUTH AMERICA:									
Argentina:									
Native	20	42	44	914	917	843	18,137	37,049	35,274
Cigar	3	7	1	1,015	934	713	3,045	6,541	882
Bolivia	3	3	3	700	700	676	2,500	2,100	2,126
Brazil:									
Bahia-cigar	80	99	93	950	565	695	76,600	56,000	64,718
Other 7/	30	50	78	850	823	869	25,600	41,131	67,783
Mist	130	152	217	677	582	478	87,954	88,491	103,828
Chile:									
Paraguay	7	6	5	1,850	1,773	1,696	12,024	11,171	8,267
Cigar	2	2	2	1,845	1,856	1,805	4,391	2,899	3,924
Colombia:									
Native	37	47	69	803	958	853	10,000	15,827	7,063
Garcia							18,000	23,800	33,553
Cubita							3,697	5,400	18,247
Paraguay:									
Fuerte	6	3	4	741	1,250	750	4,448	4,400	2,756
Uruguay	1	1	1	860	967	1,129	1,254	957	835
Venezuela	10	3	2	825	604	770	7,700	1,950	1,543
Kenya:									
Tanzania	3/	3/	3/	3/	3/	3/	300	511	300
Uganda (excl. high nicotine)	3/	3/	3/	3/	3/	3/	501	507	197
Madagascar:	1	1	2	200	200	200	206	303	400
Corse	2	1	1	800	800	447	1,400	950	331
Nigeria									
Nicotiana Tabacum	1	1	9	300	300	280	300	500	760
Nicotiana Rustica (peasant)	55	55	55	400	400	400	22,500	22,500	20,150
Union of South Africa	2/	2/	2/	3/	3/	3/	15,160	13,676	14,500
ASIA:									
Burma	108	121	135	726	780	796	78,400	94,440	107,520
Ceylon	10	6	6	620	560	500	6,200	3,420	3,000
Pakistan	355	5/	185	915	810	1,048	324,053	2/	193,927
India	666	522	2/	960	770	710	629,260	402,000	369,000
Indochina	44	25	44	727	582	738	32,004	14,550	32,500
Indonesia	449	5/	337	532	345	325	238,775	5/	108,674
Republic of Philippines	173	100	85	466	498	415	81,950	49,677	35,081
TOTAL COUNTRIES SHOWN									
1,793,187 : 1,204,391 : 1,366,699 : 1,361,710									
see footnotes at end of circular.									

**TOTAL COUNTRIES SHOWN :**  
See footnotes at end of circular.



**FIRE-CURED TOBACCO: Estimated acreage, yield and production in specified countries harvested in the first half of calendar year 1955 with comparisons - farm sales weight 1/**

Continent and Country	Acreage Harvested		Yield Per Acre		Production	
	Average	1954	Average	1954	Average	1954
	1935-39 : 1,000 acres	1947-51 : 1,000 acres	1935-39 : pounds	1947-51 : pounds	1935-39 : pounds	1947-51 : pounds
<b>SOUTH AMERICA:</b>						
Argentina:						
Kentucky	1	3	880	824	1,069	2,473
<b>AFRICA:</b>						
Nyasaland	3/	3/	3/	3/	12,149	20,976
Tanganyika	2/	2/	3/	3/	367	1,920
Uganda	3	5	450	390	1,294	2,133
Southern Rhodesia	2	2	475	500	862	913
<b>ASIA:</b>						
Ceylon:						
Cheving and snuff	4	3	700	680	2,800	1,360
<b>TOTAL COUNTRIES SHOWN:</b>					18,541	29,775
See footnotes at end of circular.						27,787

**ORIENTAL (TURKISH) TOBACCO: Estimated acreage, yield and production in specified countries harvested in the first half of calendar year 1955 with comparisons - farm sales weight 1/**

Continent and Country	Acreage Harvested		Yield Per Acre		Production	
	Average	1954	Average	1954	Average	1954
	1935-39 : 1,000 acres	1947-51 : 1,000 acres	1935-39 : pounds	1947-51 : pounds	1935-39 : pounds	1947-51 : pounds
<b>SOUTH AMERICA:</b>						
Argentina	-	4/	-	668	-	556
<b>AFRICA:</b>						
Northern Rhodesia	2/	2/	3/	3/	15	391
Southern Rhodesia	2	4	353	386	665	1,445
Union of South Africa	3/	3/	3/	3/	775	910
<b>TOTAL COUNTRIES SHOWN</b>					1,455	2,746
						1,167
						1,275

1/ Farm sales weight is about 10 percent above the average dry weight which is normally reported in export trade statistics. 2/ Preliminary. 3/ Not available. 4/ Less than 500 acres. 5/ Less than a 5-year average. 6/ Included in other light air-cured. 7/ May include some light air-cured.

Foreign Agricultural Service. Official estimates of foreign countries, reports from Agricultural Attaches and other U. S. representatives abroad, results of office research, and other information.



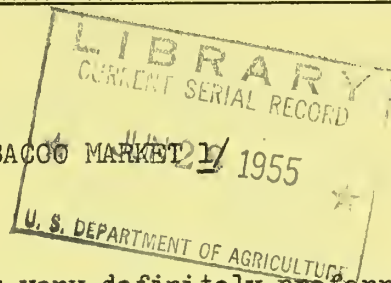


# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 12-55

THE PORTUGUESE TOBACCO MARKET



## Summary

(1) United States leaf tobacco is very definitely preferred by Portuguese manufacturers and consumers. Imports from this country should be well-maintained on an absolute basis in the immediate future, although there may be some decline in the United States' share in Portuguese import trade. (For the past four years, Portugal imported an average of 7.8 million pounds of U. S. leaf tobacco annually, principally flue-cured and Burley. Portugal is the second most important market for Burley, ranking second only to Germany.)

(2) There is a continuing trend towards factory-made cigarettes-- away from "roll-your-own," and other forms of tobacco consumption. There is also a noticeable increase in demand for lighter, milder tobaccos in cigarettes.

(3) Portuguese tobacco consumption has been rather stable recently, and no significant fluctuations are expected to occur during the next few years. The level of tobacco consumption is controlled to a great extent by general economic conditions, which tend to change very slowly.

(4) The government policy is to encourage imports of tobacco from sources other than the United States. Attempts to implement this policy include (a) a trade agreement with Greece covering the importation of about \$700,000 worth of tobacco each year; and (b) preferential tariffs on tobacco imports from Portugal's overseas possessions.

(5) The Portuguese do not appear interested in purchasing any United States tobacco under the provisions of Public Law 480, the law permitting the sale, under certain conditions, of surplus agricultural commodities for local currencies.

## Imports

The production of tobacco in Portugal is prohibited. Imported leaf, principally of United States origin, supplies the requirements of the two manufacturing firms.

1/ Mr. R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, recently returned from a survey trip to important tobacco consuming countries in Western Europe. This report is based in part on Mr. Owen's observations, and part on material available in F.A.S. files. The assistance of American Embassy officials and members of the Portuguese tobacco industry is acknowledged.

In recent years, Portugal's imports of leaf have been about two-thirds larger than in prewar. During the past three or four years, imports from the United States were somewhat below the immediate postwar period, both on an absolute basis and as a percentage of the total import trade in tobacco. Of the 1954 imports totaling 11,079,000 pounds, the United States supplied 7,677,000 -- or 69 percent. During the period 1947-51, when total imports averaged 10,475,000 pounds, the United States furnished an average of 8,723,000 pounds annually -- 83 percent of the total.

Table.1.- Portugal: Imports of unmanufactured tobacco, averages 1935-39 and 1947-51, annual 1951-54

Country of Origin	: Average : : 1935-39 :	Average : : 1947-51 :	: 1951 : : pounds :	: 1952 : : pounds :	: 1953 1/ : : pounds :	: 1954 1/ : : pounds :
United States	: 4,702	: 8,723	: 7,906	: 7,759	: 7,904	: 7,677
Angola	: 874	: 873	: 893	: 804	: 751	: 716
Greece	: 3	: 401	: 1,113	: 1,346	: 1,438	: 1,400
Indonesia	: 306	: 49	: 22	: -	: 10	: 75
Brazil	: 17	: 67	: 100	: 174	: 93	: 87
Others	: 480	: 362	: 449	: 611	: 564	: 1,124
Total	: 6,382	: 10,475	: 10,483	: 10,694	: 10,760	: 11,079

1/ Preliminary.

It is the announced policy of the Portuguese Government to achieve less dependence on imports from the United States, and conversely, to encourage imports of tobacco from Europe and Portuguese overseas possessions. Two measures have been adopted to implement these objectives: (1) duty preferences on tobaccos from overseas possessions, amounting to 15 percent on light cigarette tobaccos (from Mozambique primarily) and 10 percent on dark tobaccos (primarily Angola); and (2) an agreement with Greece signed in 1949 providing for the importation into Portugal of \$700,000 worth of tobacco annually. Imports from Mozambique remain very small. Imports from Angola are actually declining, presumably because dark tobaccos such as those produced in Angola are losing favor with Portuguese consumers. Imports from Greece increased sharply from 1949 to 1951 under the impact of the trade agreement, but have leveled off during the past three years at about 1.4 million pounds. They are not expected to increase further. It is obvious that the government's attempts to direct tobacco trade away from the United States have met with only limited success.

Flue-cured and Burley are the two principal types of United States leaf imported into Portugal. United States export data indicate that during 1953-54, about 97 percent of total shipments to Portugal consisted of flue-cured and Burley leaf. In 1954 more Burley was shipped to Portugal than to any other country. In prewar years, flue-cured and Burley made up only 70 percent of our total leaf movement to Portugal, although that country was the leading market for Burley. These percentages point up the continuing trend toward the use of light cigarette tobaccos in Portugal.

Table 2.- United States exports of unmanufactured tobacco to Portugal, by types, averages 1935-39 and 1947-51, annual 1951-54 (Declared Weight)

Type	: Average : : 1935-39 :	Average : : 1947-51 :	: 1951 :	: 1952 :	: 1953 1/ :	: 1954 1/ :
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Flue-cured	: 803	: 3,358	: 1,397	: 2,853	: 4,144	: 2,663
Burley	: 2,498	: 4,747	: 4,165	: 1,870	: 3,005	: 4,460
Kentucky-Tenn. -- fire-cured	: 1,107	: 390	: 351	: 363	: 228	: 172
Va. fire-cured	: 345	: 126	: 107	: -	: 22	: 24
All other	: 7	: 60	: 12	: -	: -	: 3
Total	: 4,760	: 8,681	: 6,032	: 5,086	: 7,399	: 7,322

1/ Preliminary.

### Manufacturing Operations

The Portuguese tobacco industry is made up of three principals: (1) the Government which has granted franchises to the two manufacturing firms; (2) Companhia Portuguesa de Tabacos; and (3) A. Tabaqueira, both of which are manufacturers and operate under long-term concessions granted by the Government; one importing firm handles about 85 percent of the tobacco imported from the United States. The manufacturers' franchises are due to expire in 1956.

Companhia produces the largest volume of products, and makes practically all of the cut tobacco for "roll-your-own" cigarettes. Both concerns produce a rather full line of cigarettes. Retail prices, which are fixed by law, are reasonable -- varying from the equivalent of about 10 U.S. cents per pack of 20 to 17.5 cents. This compares with prices of about 35 cents for imported American-made cigarettes. In general, the quality of a number of the best-selling brands, such as Vic, Tip-Top, Paris and 3-20, compares favorably with American-type blended cigarettes made in other European countries. Most of the popular brands contain large percentages of United States flue-cured and Burley leaf, together with lesser amounts of oriental. A few contain a little dark leaf from Portuguese overseas possessions, but generally its use is confined to cut tobacco manufacture.

In return for monopolistic concessions granted to the two manufacturing concerns, they are responsible for the collections of taxes such as the ad valorem manufacturers' tax amounting to 20 percent, and a sales tax of about 1.3 U.S. cents per pound of products. These taxes, combined with import duties, represent the equivalent of about 55 percent of the retail sales price of tobacco products, and furnish about 8 percent of Portugal's total ordinary government revenues.

# Output and Consumption of Products

A slight drop in total output of tobacco products occurred in 1954. Internal consumption has not diminished, however. Output has remained relatively stable during the past several years. Cigarettes are by far the most important tobacco product manufactured -- accounting for about 76 percent of the total in 1954. This compares with only a little over one-third during the immediate prewar period. Total output of products increased from an average of 6.0 million pounds to 10.5 million in 1954 -- a gain of 75 percent. Output of products other than cigarettes -- cut tobacco, cigars, and snuff -- is well below prewar.

Table 3.- Portugal: Output of tobacco products, average 1935-39 and 1947-51; annual 1951-54

Year	Cigarettes	Cut Tobacco	Cigars	Snuff	Total
	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Average:					
1935-39	2,093	3,830	67	55	6,045
1947-51	6,538	3,509	12	26	10,085
1951	7,152	3,000	7	22	10,181
1952	7,963	3,062	9	20	11,054
1953	7,948	2,745	18	18	10,729
1954	8,018	2,436	9	15	10,478

No official statistics are available on consumption. Since both imports and exports of tobacco products are relatively insignificant, output of manufactures closely approximates consumption. The level of tobacco consumption depends to a great extent on general economic conditions and these have been rather stable. There is a noticeable increase in demand for cigarettes made from lighter, milder tobaccos. This, combined with manufacturers' and consumers' resistance to changes in the composition of the blends, augurs well for continued substantial imports of flue-cured and Burley leaf from the United States.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 13-55

April 21, 1955

TOBACCO PRODUCTION AND TRADE OF THE DOMINICAN REPUBLIC 1/

## Production

Tobacco is grown throughout the Dominican Republic, but the heaviest concentration of production is located in the area around Santiago and Puerto Plata. All of the tobacco grown is dark air-cured cigar type. The Dominican Republic is a potentially important producer of high quality cigar tobacco. However, much of the tobacco is produced from unimproved varieties using cultural, harvesting and curing practices that are very primitive and, as a result, the quality of most of the tobacco produced is relatively low. What high quality tobacco is produced compares favorably with the better Cuban leaf. Because there is no grading system based on quality and no premium paid for quality for export tobacco, the producer has little incentive for raising the standard of his product.

In recent years efforts have been increased on the part of the government and local tobacco companies to develop improved varieties and to develop and encourage adoption of improved practices in growing and handling the crop. In the latter part of 1954 the Santiago Chamber of Commerce sponsored a program of free distribution of tobacco plants from improved varieties to farmers in the area in an effort to raise the quality of the 1955 harvest.

Two types of tobacco are produced in the Dominican Republic -- "olor" and "criollo," although it is often quite difficult to distinguish between the two types. The "olor" tobacco, so-called because of its higher bouquet and fuller aroma, is considered the better of the two types from the standpoint of smoking quality and is largely used for domestic consumption in the manufacture of cigars and "andullo" smoking tobacco. "Olor" leaf is thinner in body and smoother in texture. The stem is comparatively smaller and the veins of the principal varieties are almost at right angles to the stem. It is reported to burn well with a pleasant aroma.

The "criollo" tobacco is grown primarily for export and is used in the importing countries in the manufacture of cigars, dark cigarettes and smoking tobacco. It is coarser, thicker, and rougher in texture than "olor." It usually has a higher percentage of mid-rib and the veins are at an acute angle to the stems. "Criollo" tobacco burns fairly well, but is considered to be a heavier and stronger tasting tobacco than "olor."

Early season estimates of the tobacco crop for harvest in 1955 indicated an output of 50.5 million pounds from 52,000 acres. Acreage for harvest is about 11 percent above the 47,000 acres harvested in 1954 and is approximately 16 percent

1/ This circular is based on reports from John E. Montel, Assistant Agricultural Attache to the Dominican Republic.

While the crop for harvest in 1955 got off to a very good start and promised to be well above average in both quality and quantity, recent reports indicate that a considerable reduction in quality and some loss in yield as compared to earlier forecasts are in prospect as a result of an unusually heavy aphid infestation in the tobacco producing area of the Cibao Valley. This region normally produces some of the highest quality tobacco grown in the country. However, owing to the insect damage this year, farmers in the areas most severely affected will probably receive the minimum price of 8 cents per pound for their tobacco and, although, no estimates as to the reduction in output are available it is reported that total loss in value may exceed \$1 million.

Based on the forecast of production at 50.5 million pounds, for 1955 the output of "criollo" tobacco was expected to reach 46 million pounds as compared to almost 37.8 million pounds in 1954 and more than 30 million in 1953. Production of "olor" tobacco for domestic consumption was expected to reach 4.5 million pounds in 1955 as compared to an output of 3.7 million pounds in 1954 and 3.8 million in 1953. Production of both types in 1955 probably will be somewhat below the forecasts because of the damage by aphids.

Table 1. - Dominican Republic: Acreage and production of tobacco, average 1947-51, annual 1952-55

Year	Acreage	Production
	<u>acres</u>	<u>1,000 pounds</u>
Average:		
1947-51	44,922	47,178
Annual		
1952	45,322	38,435
1953	44,000	34,282
1954	47,000	41,525
1955 1/	52,000	50,500
1/ Forecast.		

Source: Anuario Estadístico de la Republica Dominicana and reports from agricultural attaches and other U. S. representatives abroad.

The 1954 output of 41.5 million pounds was below earlier expectations both in yield and quality. Heavy rains in the latter part of the growing season and continuing through much of the harvest and curing season caused considerable damage to the crop. Much of the tobacco harvested was immature, washed-out and field damaged due to weather conditions. Additional losses occurred when the leaves were hung in barns and sheds that were inadequate to protect the tobacco from pole-burning and other damage in periods of unfavorable weather. After curing the crop was found to be thin, tender, and generally lacking in quality as compared to normal crops. The

"olor" tobacco was not damaged as much by the poor growing, harvesting and curing conditions as was the "criollo" tobacco because the producers of "olor" tend to handle the crop with more care and generally have better curing facilities than other growers.

### Marketing and Grading

Most farmers sell their tobacco through middlemen or "brokers" who in turn sell to the manufacturing or export companies. However, some farmers prefer to deal directly with the companies. The "brokers" frequently loan money to the growers as an inducement to sell the crop to them. Since the middlemen usually have insufficient funds with which to operate they frequently must borrow from the companies to which they sell.

The cured leaf is removed from the curing barns or sheds and is packed without grading in bales of about 110 pounds each, which are wrapped in woven strips of palm leaves. If the tobacco is used for domestic consumption the manufacturer who purchases it grades it according to his use. Tobacco for export is delivered to the exporter who grades and packs it for shipment. The grading system used is based almost entirely on length of leaf although quality preferences for a given grade length frequently vary by country of destination. Five different export grades are used although grading standards are not controlled. The grades, with the approximate lengths of leaves included along with estimates as to the percentage of the 1954 crop of "criollo" tobacco in each grade are listed below:

Grade	Length of leaves	Percent of 1954 total "Criollo" tobacco
	<u>Inches</u>	
S	over 16	0.1
FF	14 to 16	8.3
F	10 to 14	10.1
A	6 to 10	40.3
HS	<u>1/</u>	41.2

1/ Short leaves not tied in hands, suckers, broken leaves, and leaf parts.

As previously mentioned, the 1954 crop was below average in quality and had a higher-percentage of "HS" grade and less "FF" and "A" grades than usual. Normal crops contain approximately the following percentages by grades; FF-10 percent, F-10 percent, A-45 percent and HS-35 percent. Very little "S" grade is produced with production rarely approaching 1 percent in the total crop.

Importing countries usually request tobacco from a particular area in addition to specifying the grade. Due primarily to soil conditions and rainfall, some areas are recognized by the trade as producing tobacco superior to other areas. The following tobacco growing districts are listed in descending order of quality: Bonao (Monsenor Novel), La Vega, Moca, and Santiago (including the north coast).

Some importing countries purchase on the basis of "round lots" which contain all the grades (except S) in about the same proportion as that found in an average

crop.

Tobacco for export is tied into hands (except grade "HS") and is packed in bales for shipping. Most of the bales are wrapped either with burlap or with one-half burlap and one-half split palm leaf, although the latter material may be used as the only wrapping in some instances.

A classification of the 1954 crop of "olor" tobacco according to probable use indicates that about 3 percent of the crop was cigar wrapper quality, 6.5 was binder tobacco, about 15 percent was filler tobacco, and the remainder was classed as "scrap," the latter grade being comparable to the "HS" grade of "criollo" tobacco described earlier. In 1953 about 6.3 percent of the "olor" tobacco was classed as wrapper and the same percentage as binder, while about 18.3 percent was classed as filler tobacco. In both 1953 and 1954 between 2 and 3 percent of the "criollo" tobacco was estimated to be suitable for cigar wrapper and about 8 percent was suitable for binder with all the rest classified as cigar filler and scrap. These classifications are only approximate and are probably not directly comparable with U.S. standard for cigar leaf.

### Prices

Prices received by farmers for the 1954 crop of "olor" tobacco were approximately 20, 30 and 45 cents per pound for the respective grades and the average price was about 24 cents per pound. Prices paid for the 1954 "criollo" tobacco varied from about 7 to 11 cents per pound and averaged 9 cents. The average price for the 1953 crop was approximately 12.5 cents.

The export prices paid for Dominican tobacco in 1954 varied from less than 15 cents per pound to more than 26 cents per pound, depending on grade, quality and importing country. The average for all exports was approximately 18 cents per pound, slightly under the 1953 average of 19 cents. These prices are F. O. B. Puerto Plata. The differences between the average farm price of 9 cents and average export price of 18 cents are largely accounted for by the expenses of grading and packing, shrinkage of almost 15 percent, transportation and overhead, in addition to the commission charges and export taxes assessed.

### Exports

Exports of leaf tobacco from the Dominican Republic have been declining in recent years. Shipments in 1953 totaled 20.9 million pounds, sharply below the quantity shipped in 1952 and 41 percent below the 35.4 million pounds exported annually in the 1947-51 period. Leaf exports in the first 9 months of 1954 were only 8 million pounds but were as high as shipments during the same period in 1953. The most significant decline occurred in exports to Spain who has been the largest buyer of Dominican leaf since the war. Shipments to Spain in 1953 amounted to only 113,000 pounds as compared with 13.7 million pounds in the 1947-51 period. The Western European countries of the Netherlands, Belgium and France, who with Spain accounted for three-fourths of the market for Dominican leaf tobacco in the 1947-51 period, have taken smaller amounts of tobacco in the two years following that period. Indochina, Algeria and Gibraltar have taken increasing quantities in recent years, while Western Germany took 6.4 million pounds in 1952 but dropped to 3 million in 1953.

A number of factors have contributed to the decline in leaf exports from the Dominican Republic. The shortage of hard currencies available to the importing

countries has caused them to shift from Dominican tobacco, which must be paid for in dollars, to leaf from soft currency countries, where possible. Prior to World War II, Spain and some other West European countries depended on Indonesia and the Philippines for dark cigar type tobacco. During and following the war when supplies were not available from that area, the Dominican Republic was able to increase her shipments to the European markets. With the increase in world supplies of tobacco in recent years, these countries are cutting down on Dominican purchases and are shifting to former sources of supply. Spain has entered into a trade agreement with the Philippines which enables her to pay for tobacco with other commodities, thereby eliminating the need for dollars.

Considerable differences in quality preferences exist among the various countries which purchase leaf tobacco from the Dominican Republic. The principal countries of destination for Dominican tobacco in descending order of quality preference are Switzerland, Germany, Belgium, France, North Africa, Portugal, Indochina, and Spain. France usually imports average quality tobacco. The Netherlands is an important re-exporter of Dominican leaf. Most European importers usually buy only on samples, while sales to Spain, North Africa, and Portugal are generally on a price basis.

Dominican Republic: Exports of leaf tobacco  
by country of destination, average 1947-51,  
annual 1952-1954

Country of Destination	Average : 1947-51 :	1952 :	1953 1/ :	Jan.-Sept. 1954 1/ :
	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:	:
Spain	: 13,726	: 11,546:	113	: -
Netherlands	: 5,928	: 2,898:	2,440	: 653
Belgium	: 4,441	: 3,169:	3,226	: 1,140
France	: 2,713	: 1,387:	1,308	: -
Gibraltar	: 1,273	: 1,246:	2,312	: 963
Germany	: 1,250	: 6,359:	2,957	: 2,599
French Morocco	: 866	: 214:	436	: 119
Indochina	: 1,152	: 2,634:	3,267	: 604
Algeria	: 1,417	: 2,504:	2,715	: 529
Uruguay	: 426	: 222:	420	: 739
Tunisia	: 438	: 451:	315	: 134
Switzerland	: 183	: 315:	132	: 68
Canary Islands	: 465	: 538:	618	: 439
United States	: 154	: 34:	15	: 33
Other	: 928	: 92:	577	: 36
	:	:	:	:
Total	: 35,362	: 33,609:	20,851	: 8,056

1/ Preliminary.

Source: Comercio Exterior de la Republica Dominicana and reports of agricultural attaches.

The longer grades -- "S" and "FF" -- have for the past several years found a ready market in Uruguay where they are used for ribbon cut cigarette tobacco and sometimes for cigars. Switzerland buys the better quality long grades for use in

the manufacture of their well-known "Stumpen" cigars. As a general rule, substantial quantities of grades "A" and "HS" go to Spain, Portugal and the North African countries for use primarily as cutting tobacco, while the other European countries take varying amounts of grades "A", "F" and "FF". In Switzerland, Germany and Belgium the tobacco is used primarily for cigars, while in France it is used both for cigars and for cutting tobacco.

Exports of cigars from the Dominican Republic have not been important in recent years, although during World War II an average of 146,000 cigars were exported annually. Shipments during 1947-51 averaged only 16,000 cigars and declined to 12,000 pieces in 1953.

Exports of cigarettes in 1953 totaled 6.4 million. This was a slight decrease from the previous year and was 16 percent below the level of 1947-51 when shipments averaged 7.6 million pieces. Only dark type cigarettes from domestic tobaccos are exported and the primary market is the Netherlands West Indies.

Dominican Republic: Exports of cigars and cigarettes, average 1947-51, annual 1952-54

Year	:	Cigars	:	Cigarettes
	:	1,000	:	1,000
	:	pieces	:	pieces
	:		:	
Average:	:		:	
1947-51	:	16	:	7,625
Annual:	:		:	
1952	:	13	:	6,500
1953	:	12	:	6,407
January-July	:		:	
1954 1/	:	3	:	3,702
	:		:	
	:		:	

1/ Preliminary

Source: Comercio Exterior de la Republica Dominicana

### Manufacture of Tobacco Products

Commercial production of cigars in 1953 totaled 38.3 million pieces, 8 percent below output in 1952 but about the same as the 1947-51 average production. The cigars produced in the local cigar factories are made from the better quality tobacco available. They burn well and have a nice aroma and pleasant taste. There are three major cigar manufacturing companies which account for a large part of the output. However, there are 44 other small concerns, ranging from small factories down to home workshops, which also produce cigars.

While all the tobacco grown in the Dominican Republic is classed as cigar tobacco according to U.S. standards, a considerable quantity of the tobacco is used in the manufacture of cigarettes. At the present time there is only one company in the Republic which produces cigarettes. Two brands are manufactured. One brand is made entirely from domestic tobacco and retails for approximately 18 cents per pack

of twenty. The other brand is a blended type cigarette made from flue-cured and Burley tobaccos imported from the United States in the form of bulk cut tobacco. This brand sells at retail for about 40 cents a pack. Cigarette paper imported from a U.S. firm is used for all cigarettes except for a portion of the output from dark tobaccos which are wrapped in dark brown, sweetened paper imported from Spain.

Cigarette production in the Dominican Republic has been increasing. Output in 1953 totaled 895.6 million pieces, an increase of 3 percent as compared to 1952 production and almost 30 percent above the 1947-51 average output of 691 million pieces. It is expected that the demand for cigarettes for domestic consumption, particularly of the blended type, will continue to increase.

In parts of the country some of the tobacco is processed into "andullo," which is a six to eight foot roll of tobacco about three inches in diameter. The roll is tightly compressed by being bound and rebound with twine. It is heavily fermented, strong and comparatively moist, and resembles Louisiana Perique. The making of "andullo" is primarily a rural industry and it is consumed chiefly by the poorer classes for pipe smoking, chewing, and sometimes for hand rolled cigarettes. It is sold in slices or blocks of any desired quantity and retails for from 80 cents to \$1.20 per pound.

Production of "andullo" has been declining and probably will continue to do so as demand for cigarettes expands. Output in 1953 was estimated at 1.7 million pounds, down one-fourth from the 1947-51 level when production averaged 2.3 million pounds.

Dominican Republic: Production of cigars,  
cigarettes and andullo 1/, average  
1947-51, annual 1952-1953

Year :	Cigars :	Cigarettes :	Andullo 1/ :
:	1,000 :	1,000 :	1,000 :
:	<u>pieces</u> :	<u>pieces</u> :	<u>pounds</u> :
:	:	:	:
1947-51:	38,142 :	691,341 :	2,336 :
1952 :	41,453 :	868,951 :	2,207 :
1953 :	38,320 :	895,565 :	1,747 :
:	:	:	:

1/ Rolled tobacco used principally for pipe smoking and chewing.

Source: Estadistica Industrial de la Republica Dominicana, and reports of agricultural attaches.

### Imports

Dominican imports of cigarettes in 1953 totaled 7 million pieces. This was an increase of 12 percent as compared to 1952 but was only 3 percent above the 1947-51 level. More than 97 percent of all cigarette imports reported in the last eight years have been from the United States. According to preliminary data compiled from the U.S. Bureau of the Census exports of cigarettes from the United States to the Dominican Republic in 1954 totaled 6.25 million pieces.

Imports of cigars by the Dominican Republic have not been important, totaling only 8,800 in 1953 and averaging less than 4,000 in the five years from 1947 to 1951.

No imports of leaf tobacco are reported. However, shipments of cut tobacco in bulk from the United States for use in the manufacture of cigarettes have been increasing in recent years. U.S. exports of this product averaged 216,000 pounds in the 1947-51 period, but reached 363,000 pounds in 1953 and about 444,000 pounds in 1954, more than double the earlier level.

Dominican Republic: Imports of cigarettes by country of origin, average 1947-51, annual 1952-1954

Country	1947-51	1952	1953	1954
	1,000	1,000	1,000	1,000
	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>	<u>pieces</u>
United States	6,673	6,239	6,885	6,250 <sup>1/</sup>
Other	164	47	180	2/
Total	6,837	6,286	7,065	2/

<sup>1/</sup> U.S. exports to Dominican Republic as compiled from records of the Bureau of Census. Preliminary. Dominican import data not available.

<sup>2/</sup> Not available.

Source: Importation de la Republica Dominicana and reports of agricultural attaches.

### Legislation and Treaties

Recent legislation by the Dominican Government affecting the tobacco industry includes the passage of a law on July 3, 1954 which established a tobacco purchase and export consortium. Another provision of the law authorizes the President of the Republic, when it is in the national interest, to be the sole purchaser and exporter of tobacco grown in the Dominican Republic. It is not yet clear what effect this law will have on tobacco production and trade.

On February 11, 1955 an additional tax of 3 percent to be applied to the total of all other taxes levied was established by law. This added tax applies to the taxes on all commodities exported, including tobacco. It is not expected that this will seriously affect tobacco exports.

A commercial agreement between France and the Dominican Republic was signed in Ciudad Trujillo on December 20, 1954. While the agreement will enter into effect provisionally upon exchange of notes, it will become fully effective upon ratification in Paris. Under the terms of the agreement the French Government is to authorize imports of Dominican tobacco of a minimum value of \$1 million annually while the Dominican Republic agrees to import French products totaling at least \$1 million per year. In addition, the agreement provides for most favored nation treatment in commerce and navigation and is to be valid for one year and renewable automatically unless denounced by one of the parties at least one month before expiration date.

This agreement guarantees substantially higher French purchases of Dominican tobacco than the quantities taken in recent years.

### Summary

The 1955 tobacco harvest will probably be somewhat below the forecast of 50.5 million pounds as the result of severe damage from aphids, but should still be well above the last several years. About 91 percent of the production is expected to be of the export type with the remaining 9 percent of the type produced for domestic consumption.

Dominican leaf exports have been declining in recent years. Most of the shipments are to the countries of Western Europe. While the tobacco is used chiefly for cigars, some importing countries use the leaf in the manufacture of strong cigarettes. Exports of manufactured products consist primarily of dark cigarettes to the Netherlands West Indies.

There is an increasing demand for cigarettes in the Dominican Republic as evidenced by the increased domestic production. Imports of bulk cut tobacco from the United States for cigarette manufacture is increasing and cigarette imports from the U.S. range from about 6 to 7 million pieces annually.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

JUN 23 1955

FT-14-55

DEPARTMENT OF AGRICULTURE

April 22, 1955

## U. S. EXPORTS OF MANUFACTURED TOBACCO

United States exports of all tobacco products combined during 1954, which were valued at 63.2 million dollars, were about one percent lower than those of 1953 but still were well above the level of the preceding years. Exports of cigarettes and smoking tobacco in packages and bulk in 1954 were off slightly from 1953 but exports of cigars and cheroots and chewing tobacco were higher.

### Cigarettes

Cigarettes account for the bulk of U. S. manufactured tobacco product exports. In 1954, 15.4 billion cigarettes, valued at \$57.1 million, were exported. The number of cigarettes exported was below the average of the last few years, but the total value was higher due to price increases. Shipments last year were about three times prewar in units.

Exports to North America at 2.4 billion pieces were about 20 percent less in 1954 than in 1953, with shipments to most destinations being off. "North America," includes Central America and the Caribbean area. On the other hand exports to South America in 1954 (2.6 billion) were 17 percent higher than 1953. Exports increased to Columbia, Venezuela, Peru and Uruguay.

Cigarette shipments to Europe were 7 percent lower in 1954 totaling 5.0 billion

Exports to Spain maintained their spectacular increase of 1953 taking 312 million cigarettes in 1954. There were increases in exports to Denmark, the Netherlands, West Germany, Austria, Poland and Danzig and Gibraltar. There were decreases in cigarette shipments to Sweden, Norway, the United Kingdom, Ireland, Belgium and Luxembourg and France.

U. S. cigarette exports to Asia in 1954 totaled 2.8 billion, three percent less than 1953 exports of 2.9 billion. There were increases in exports to Lebanon, Kuwait and the Republic of the Philippines.

Exports to Africa were about 8 percent lower in 1954 (2.4 billion) compared with 1953 (2.6 billion). Exports to Spanish Africa rose spectacularly from 9.6 million pieces in 1953 to 438.3 million pieces in 1954. Exports to Tangiers dropped 28 percent in 1954 to a total of 1.4 billion from a total of 1.9 billion in 1953.

### Cigars and Cheroots

Exports of cigars and cheroots in 1954 were 8.2 million pieces valued at 384 thousand dollars, compared with 6.3 million pieces in 1953 valued at 320 thousand dollars, an increase of 30 percent. A large part of the increase was due to a rise

in shipments to Belgium and Luxembourg which took 1.2 million pieces in 1954 compared to 429,000 pieces in 1953. There were also substantial increases in exports to Canada, Bermuda and Union of South Africa. Exports during 1954 were 61 percent higher than the post-war average but were about equal to the pre-war average.

#### Chewing, Plug and Other

Exports of chewing tobacco in 1954 (2.1 million pounds) were about 30 percent higher than the previous year, largely as a result of increased shipments to the Philippines and to Australia.

#### Smoking Tobacco

Exports of smoking tobacco in packages totaled 571 thousand pounds in 1954, about 11 percent below the previous years' exports of 638 thousand pounds. Most of the decrease was due to reduced shipments to Canada.

Exports of smoking tobacco in bulk, much of which consists of tobacco prepared for manufacture into cigarettes, reached 4.6 million pounds in 1954 just slightly less than 1953 exports. The greatest decrease was in shipments to the Philippines which took only 520,000 pounds in 1954 compared with 1.4 million pounds in 1953. There were very substantial increases in exports to Spain, Panama and Australia.

CIGARETTES, EXPORTS BY COUNTRY, AVERAGE 1934-38, 1948-52, ANNUAL 1952, 1953, 1954

Continent & Country	Average				
	1934-1938	1948-1952	1952	1953 <sup>1/</sup>	1954 <sup>1/</sup>
	Million Pieces	Million Pieces	Million Pieces	Million Pieces	Million Pieces
<u>NORTH AMERICA:</u>					
Iceland	.1	51.9	78.8	150.6	124.9
Canada	11.9	(	(	(	(
Newfoundland & Labrador:	6.5	335.6	533.1	554.2	435.2
Mexico	30.8	294.1	166.0	160.1	70.7
Costa Rica	28.5	28.1	24.3	29.5	19.1
Panama Republic	(	471.9	644.8	661.7	553.3
Panama Canal Zone	(	213.9	172.3	171.5	134.0
Bermuda	29.8	59.9	66.5	66.8	61.4
Bahamas	-	29.3	45.3	48.2	64.2
Cuba	46.8	329.4	396.1	322.9	301.3
Haiti	19.2	73.2	62.1	23.8	39.7
Netherlands Antilles	105.2	1,019.1	846.5	743.0	546.5
Other	48.2	62.5	57.0	55.6	51.6
Total North America	715.9	2,968.9	3,092.8	2,987.9	2,401.9
<u>SOUTH AMERICA:</u>					
Colombia	90.7	242.5	260.5	316.4	531.3
Venezuela	38.7	1,181.3	1,570.2	1,410.6	1,545.3
Ecuador	6.7	126.8	185.4	201.8	181.5
Peru	10.4	62.7	57.7	92.3	107.3
Uruguay	7.8	148.4	180.8	143.5	160.6
Argentina	63.6	13.2	3.6	2.9	1.1
Other	9.0	29.8	38.0	38.8	51.2
Total South America	226.9	1,804.7	2,296.2	2,206.3	2,578.3

See footnotes at end of circular

CIGARETTES, EXPORTS BY COUNTRY, AVERAGE 1934-38, 1948-52, ANNUAL 1952, 1953, 1954

Continent & Country	Average		1952	1953 <sup>1/</sup>	1954 <sup>1/</sup>
	1934-1938	1948-1952			
EUROPE:	Million pieces	Million pieces	Million pieces	Million pieces	Million pieces
Sweden	79.7	509.2	654.4	837.7	689.6
Norway	3.6	21.3	33.0	130.8	94.7
Denmark	54.1	166.3	321.6	275.3	303.2
United Kingdom	98.7	27.8	28.9	39.3	34.9
Ireland	.2	10.7	17.1	15.8	9.8
Netherlands	127.9	205.3	255.9	286.0	387.1
Belgium & Luxembourg	63.4	984.6	813.7	957.9	848.7
France	307.2	383.5	851.7	691.5	634.4
Germany	31.8	273.9	484.1	434.8	459.9
Austria	1.4	108.7	69.8	69.5	91.0
Switzerland	16.2	717.2	700.6	416.6	340.0
Poland & Danzig	8.3	102.1	35.0	48.0	76.0
Spain	15.6	7.2	1.0	310.9	311.9
Portugal	4.7	27.6	16.6	15.8	14.7
Gibraltar	28.4	116.6	58.0	162.3	178.3
Italy	33.5	375.0	401.3	380.7	357.1
Czechoslovakia	1.0	330.7	-	-	-
Hungary	1.3	195.1	-	-	-
Rumania	2.8	45.6	-	-	-
Yugoslavia	.4	95.9	261.8	280.2	118.9
Other	9.7	84.5	35.3	38.1	43.2
Total Europe	889.9	4,788.8	5,039.8	5,391.2	4,993.4

See footnotes at end of circular

CIGARETTES, EXPORTS BY COUNTRY, AVERAGE 1934-38, 1948-52, ANNUAL 1952, 1953, 1954

Continent & Country	Average		1948-1952		1952		1953 <sup>1/</sup>		1954 <sup>1/</sup>	
	Million Pieces		Million Pieces		Million Pieces		Million Pieces		Million Pieces	
ASIA:										
Syria	6.9		12.0		23.1		26.3		29.4	
Lebanon	-		51.9		71.2		37.8		108.4	
Iraq	.6		1.2		-		4.8		6.7	
Palestine & Trans-										
Jordan	2.3		26.8		13.5		21.5		-	
3/ Israel	-		-		-		-		42.7	
Kuwait	-		126.7		140.3		235.1		275.9	
Saudi-Arabia	2.3		111.5		135.9		97.1		101.8	
State of Bahrain	-		112.4		147.3		114.9		98.6	
Thailand	2.4		13.5		35.5		32.4		21.2	
Indochina	15.1		10.1		5.6		2.5		.5	
Macao	-		-		14.3		39.4		46.6	
Indonesia	15.8		68.7		61.6		39.3		6.1	
Philippine Republic	2,543.6		4,486.1		692.8		435.3		503.7	
China	84.2		2.3		-		-		-	
Hong Kong	22.1		952.4		709.5		947.9		721.1	
British Malaya	2.5		475.7		639.3		500.8		439.9	
Nansei & Nampo										
Islands	-		-		-		-		338.3	
Japan	7.2		95.9		149.4		348.1		20.2	
Other	27.2		45.6		38.4		63.7		85.1	
Total Asia	2,732.2		6,592.8		2,877.7		2,946.9		2,846.2	

See footnotes at end of circular

CIGARETTES, EXPORTS BY COUNTRY, AVERAGE 1934-38, 1948-1952, ANNUAL 1952, 1953, 1954

Continent & Country	Average				
	1934-1938	1948-1952	1952	1953 <sup>1/</sup>	1954 <sup>1/</sup>
	Million Pieces	Million Pieces	Million Pieces	Million Pieces	Million Pieces
<u>OCEANIA:</u>					
Australia	19.0	2.9	8.8	5.3	4.4
New Zealand	17.6	4.6	3.1	-	.8
French Oceania	23.4	-	-	-	-
French Pacific Islands	-	37.1	45.4	36.5	27.4
Trust Territory of the Pacific Islands	-	-	-	-	-
Other	.7	9.7	26.9	26.9	24.9
Total Oceania	60.7	54.3	84.2	68.7	80.3
<u>AFRICA:</u>					
French Morocco	12.5	81.9	141.5	106.3	114.3
Tangiers	-	1,468.7	2,129.9	1,929.5	1,390.1
Algeria	(	1.3	.6	.2	12.7
Tunisia	15.1	4.0	8.8	8.1	15.7
Canary Islands	37.5	42.4	9.8	14.7	25.1
Spanish Africa	.3	10.2	5.4	9.6	438.3
Egypt	33.8	111.5	109.9	128.7	74.2
French West Africa	37.4	80.7	98.6	46.9	59.4
British West Africa	-	1.9	4.4	25.6	5.0
Liberia	3.8	68.2	76.9	77.3	69.9
Belgian Congo	.5	173.7	188.4	123.5	64.8
Union of South Africa	3.4	38.5	8.1	1.7	3.2
French Somaliland	-	63.8	85.5	123.5	95.1
Other	3.7	80.1	93.0	52.2	79.4
Total Africa	148.0	2,226.9	2,960.8	2,647.8	2,447.2
Estimated Shipments	-	-	-	-	78.4
TOTAL QUANTITY	4,773.6	18,436.4	16,351.5	16,248.8	15,425.7
TOTAL VALUE (1,000 dollars)	9,058	54,730	54,754	58,054	57,132

See footnotes at end of circular.

UNITED STATES EXPORTS OF CIGARS AND CHERROOTS  
AVERAGE 1935-38, 1948-52, ANNUAL 1952, 1953, 1954

Continent & Country	Average		1952	1953 <sup>1/</sup>	1954 <sup>1/</sup>
	1935-1938 <sup>5/</sup>	1948-1952			
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
<u>NORTH AMERICA:</u>					
Canada (including Newfoundland & Labrador)	59	56	104	2,651	2,919
Iceland	2	1	5	-	92
Panama Republic	1,111	502	538	296	297
Canal Zone	-	899	926	873	955
Bermuda	25	70	-	291	391
Netherlands Antilles	159	120	49	174	64
Other	226	122	89	20	35
Total North America	1,582	1,770	1,711	4,305	4,753
<u>SOUTH AMERICA</u>					
Total South America	169	72	105	30	-
<u>EUROPE:</u>					
Belgium & Luxembourg	92	73	201	429	1,210
Germany	182	1,245	-	-	<sup>2/</sup> 3
United Kingdom	2,176	16	2	-	-
Italy	2,514	4	-	-	-
Switzerland	3	35	92	194	158
Other	272	167	17	68	55
Total Europe	5,239	1,540	312	691	1,426
<u>ASIA:</u>					
Saudi Arabia	10	513	525	626	436
Japan	3	393	-	187	102
Other	210	172	65	32	84
Total Asia	223	1,078	590	845	622
<u>OCEANIA:</u>					
Total Oceania	322	12	33	24	20
<u>AFRICA:</u>					
Egypt	67	23	8	19	-
Union of S. Africa	553	502	430	322	562
Other	49	115	84	78	95
Total Africa	669	640	522	419	657
<sup>4/</sup> Estimated shipments	-	-	-	-	750
TOTAL QUANTITY	8,204	5,112	3,273	6,314	8,228
TOTAL VALUE (\$1,000)	435	353	177	320	384

See footnotes at end of circular

UNITED STATES EXPORTS OF CHEWING TOBACCO,  
AVERAGE 1934-38, 1948-52, ANNUAL 1952-1953, 1954

Country	Average		1952	1953 <u>1/</u>	1954 <u>1/</u>
	1934-38	1948-1952			
(Chewing, plug & other <u>6/</u> )	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Canada, Newfoundland & Labrador	229	60	28	28	19
Panama, Republic <u>7/</u>	( 141	102	91	89	95
Canal Zone	( 141	36	28	34	20
Bahamas <u>8/</u>	36	17	16	15	14
Netherlands Antilles	36	46	33	23	24
United Kingdom	147	38	29	23	24
Philippines, Republic of	609	833	788	526	682
Australia	516	732	840	778	1,133
French Pacific Islands <u>8/</u>	516	58	57	106	62
Other	109	220	10	9	26
Estimated shipments <u>4/</u>					17
Total Quantity	1,787	2,142	1,920	1,631	2,116
Total Value (1,000 dollars)	708	1,434	1,547	1,344	1,707

See footnotes at end of circular

# COMPARISON OF THE EXPORTS OF MANUFACTURED TOBACCO PRODUCTS

Product	Average		Average		1952		1953		1954	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Cigarettes (million pieces)	4,774	9,058	18,436	54,730	16,352	54,754	16,249	58,054	15,426	57,132
Cigars & Cheroots (1,000 pieces)	2/ 8,204	2/ 435	5,112	353	3,273	177	6,314	320	8,228	384
Chewing tobacco (1,000 pounds)	1,787	708	2,142	1,434	1,920	1,547	1,631	1,344	2,116	1,707
Smoking tobacco in packages (1,000 pounds)	3/	3/	670	633	601	638	638	684	572	625
Smoking tobacco in bulk (1,000 pounds)	3/	3/	1,674	1,288	2,263	1,818	4,680	3,726	4,645	3,357
Total Value		10,201		58,438		58,934		64,128		63,205

Compiled in Foreign Agricultural Service from records of the Bureau of the Census.

1/ Preliminary

2/ Average 1935-1938, not listed separately in 1934.

3/ Not available.

UNITED STATES EXPORTS OF SMOKING TOBACCO IN PACKAGES, & BULK  
AVERAGE 1948-52, ANNUAL 1952, 1953, 1954

Country	Average 1948-52	1952	1953 <sup>1/</sup>	1954 <sup>1/</sup>
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
<b>PACKAGES:</b>				
Canada	252	237	249	178
Mexico	7	5	10	8
Canal Zone	11	7	11	11
Netherlands Antilles	17	13	14	5
Sweden	29	43	54	64
Denmark	24	36	48	28
United Kingdom	14	14	13	14
Belgium & Luxembourg	28	12	21	10
France	14	26	18	27
Germany	7	12	11	12
Switzerland	14	16	14	15
Italy	8	11	17	20
Philippines, Republic of	73	24	9	24
Indonesia	10	26	10	12
Hong Kong	37	23	37	25
Other	125	96	102	80
Estimated shipments <sup>4/</sup>				38
Total Quantity	670	601	638	571
Total Value (1,000 dollars)	633	638	684	625
<b>BULK:</b>				
Mexico	205	263	904	682
Nicaragua	75	88	91	83
Panama			17	334
Haiti	319	486	536	500
Dominican Republic	245	300	363	444
Bolivia	345	285	328	444
Argentina	143	-	-	-
Spain	84	221	959	1,323
Philippines, Republic of	171	561	1,430	520
Australia	1	-	-	267
Tangier	12	21	22	-
Other	75	38	30	44
Estimated shipments <sup>4/</sup>				4
Total Quantity	1,674	2,263	4,680	4,645
Total Value (1,000 dollars)	1,288	1,818	3,726	3,357

Compiled from records of the Bureau of the Census in the Foreign Agricultural Service  
N.B. 1934-38 average not available for smoking tobacco in packages and bulk

<sup>1/</sup> Preliminary

<sup>2/</sup> West Germany

<sup>3/</sup> Class established January 1954

<sup>4/</sup> Estimated shipments are estimates based on 10 percent sample shipments valued  
\$100 - \$499. See Census Publication No. FT-410, Part 1, page 3, January -  
December 1954

<sup>5/</sup> Not listed separately in 1934, shown in "other tobacco manufactures."

<sup>6/</sup> Snuff included 1948 on.

<sup>7/</sup> Prior to January 1, 1938, Panama Republic and Canal Zone were listed as "Panama."

<sup>8/</sup> Not available.



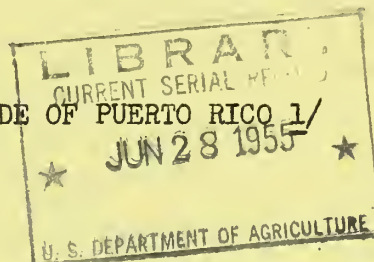
# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 15-55

April 25, 1955

## TOBACCO PRODUCTION AND TRADE OF PUERTO RICO 1/



### Summary

Production of unmanufactured tobacco, nearly all of which is cigar filler, is estimated at 32 million pounds from 37,100 acres in 1954-55. This is about 6 percent below the two previous crops but is above average production during and since World War II. A production control and minimum price support system for tobacco is administered by the U.S. Department of Agriculture in cooperation with the local government. The operation of the system has served to stabilize the tobacco industry in Puerto Rico in contrast to the extreme fluctuations prior to its adoption.

Exports of unmanufactured leaf, practically all of which is shipped to the United States, declined from a pre-war average of 22 million pounds to a low of 15 million in 1952-53.

In the past year and a half, imports of unmanufactured tobacco, mostly flue-cured from the United States, continues to decline as a result of the upward trend in imports of cigarettes.

### Introduction

Puerto Rico is a mountainous island, 3,500 square miles in area with a population of about 2-1/4 million people. Sugar is the major crop although tobacco is of great importance, especially to those families who live in the mountainous interior where land is not suitable for producing most other cash crops. It is estimated that 26,000 families (with 24,000 farm allotments under production quotas) depend upon tobacco for the major portion of their income.

### Quality and Use of Puerto Rican Tobacco

The cigar tobaccos grown on the Island are classed as cigar filler. Puerto Rican cigar filler has a delicate aroma and good taste. It burns well and produces a mild and pleasant smoke. Most of this filler, designated as type 46, is bought by U.S. cigar manufacturers for blending with Cuban and domestic cigar fillers.

### Production

Output in 1954-55 is expected to reach 32 million pounds from 37,100 acres as compared to 1953-54 production of approximately 34.1 million pounds from 40,500

1/ This circular is based in part on a special report prepared for the Foreign Agricultural Service by S.J. Adams, Tobacco Specialist, Commodity Stabilization Service, Caribbean Area Office.

acres. Most of the output is cigar filler type 46, but about 1.2 million pounds of chewing tobacco is produced each year in the coastal sections. This chewing tobacco is for domestic consumption, principally in the sections of Guajataca and Quebradillas. At the present time very small quantities of wrapper and binder tobacco are produced largely for experimental purposes, but a little is grown commercially for domestic consumption.

During the early years of World War II exports of tobacco were restricted due to the shortage of transportation facilities, fertilizers were difficult to obtain and producers were receiving prices which were reported to be less than the cost of production. At this point, the United States Department of Agriculture was called upon for assistance. To relieve the conditions indicated above arrangements were made for tobacco to be transported to the United States, fertilizer was allocated for the production of tobacco, and the price support program of the Commodity Credit Corporation was extended to include Puerto Rican tobacco.

### Levels of Production

Production rose after World War I, declined sharply in 1932 and 1933 and then regained the former level. Output went up sharply from 1936 to 1938, but as a result of the large outturn in 1938, prices fell drastically so that the area planted in October-December of 1938 decreased to less than half of the normal planted area. In the next three years production was about normal, but as indicated above production in 1942-43 decreased to 9.4 million pounds. For a few years after World War II, the level of production and prices varied considerably, but since 1947 output has been relatively stable, although the area planted in 1953-54 rose to 40,500 acres, the highest level since 1941-42. Planted area for the 1954-55 crop is now placed at almost 37,100 acres, a decrease of 8.4 percent as compared to the previous year but about 4,000 acres above the acreage expected at the beginning of the planting season.

Puerto Rico: Acreage and production of unmanufactured tobacco,  
5 year averages 1925 to 1949, annual 1950-55.

(farm sales weight)				
Year	:	Acreage	:	Production
	:	<u>acres</u>	:	<u>1,000 pounds</u>
Average:	:		:	
1925-29 1/	:	50,600	:	32,800
1930-34	:	34,836	:	23,517
1935-39	:	44,000	:	26,393
1940-44	:	36,103	:	28,384
1945-49	:	35,967	:	28,451
Annual:	:		:	
1949-50	:	36,000	:	26,000
1950-51	:	34,019	:	25,860
1951-52	:	33,798	:	28,527
1952-53	:	35,664	:	34,325
1953-54	:	40,499	:	34,140
1954-55 2/	:	37,085	:	32,037

1/ The averages were increased greatly by the unusually large plantings of 81,900 acres and high production of 50,000,000 pounds in 1926-27 which resulted from the response to the high prices received for the 1925-26 crop.

2/ Preliminary.

### Principal Producing Areas

Tobacco is grown principally in eleven districts: Utuado, Orocovis, Ciales, Naranjito, San Lorenzo, Juncos, Barranquitas, Comerio, Caguas, Cayey and Aibonito. Differences in soil, altitude, rainfall and temperature make a difference in the aroma, taste and burn of the tobaccos grown in the various districts. The qualities of tobaccos produced in districts on one side of the mountains vary considerably from those of leaf grown on the other.

Tobaccos produced in the districts of Utuado, Ciales, Orocovis and Naranjito are stronger in aroma and taste than are those grown in the other districts. The properties of leaf grown in these four districts are very similar to those of the better tobaccos of Cuba. Tobaccos of the San Lorenzo and Juncos districts have a white ash. That produced in the Comerio district has the best qualities for a complete cigar filler of a type which does not require blending with other tobaccos. Tobacco from this district is very similar to that produced in the Vuelta Abajo district of Cuba. Although the Barranquitas district adjoins the Comerio district, tobacco grown in the former is darker in color and coarser in texture. However, burn, taste and aroma are good. Tobaccos produced in Caguas, Cayey and Aibonito districts burn well, have a pleasant aroma, and are milder than those in districts mentioned previously.

### Production Practices and Improvement

Puerto Rico's temperature and rainfall are adaptable for producing good cigar tobacco. The soils are dark gray loam with a reddish clay sub-soil. There is a large available supply of labor experienced in the production and handling of tobacco. Commercial fertilizers are used by all growers, and in the past years average yields have increased significantly.

Puerto Rico is currently taking a more active interest in the production of tobacco. The Puerto Rican Government has established a tobacco experiment station to develop improved varieties adaptable to the various districts. Through the experiment station, seedlings are furnished to growers. Although the tobacco industry in Puerto Rico has improved in many respects, there is still a great need for better curing barns and improved credit facilities for the producers.

### Harvesting and Curing

Ninety-five percent of the cigar filler tobacco is harvested by priming leaves from the stalk, and five percent is stalk-cut. Primed tobacco is strung on twine with a needle, leaving sufficient space between the leaves for drying. Each end of the twine is fastened to a stick, after which it is hung in a barn or drying shed for 20 to 40 days, depending upon drying conditions. A few of the best growers have ventilated barns and in very humid weather charcoal is used to provide supplemental heat. However, most growers dry their tobacco in any kind of shed available regardless of whether or not it is the correct type; therefore conditions during the curing period greatly influence the quality of leaf resulting from the curing process.

### Production and Marketing Control Program

As indicated above, in 1942 the U.S. Department of Agriculture was asked to give assistance in developing a tobacco production and marketing program. No tobacco was acquired under the Marketing Support Program prior to the 1946 crop, but

the fact that such a program was in effect is believed to have helped stabilize the production, marketing and prices received for Puerto Rican tobacco. In 1948 the U.S. Tobacco Grading Service was extended to Puerto Rico. Its influence on the grading and handling of tobacco in this area also is believed to have been beneficial.

There are three tobacco producer associations in Puerto Rico with a total membership of approximately 10,000 growers, although all of the members do not deliver their tobacco to their association every year. These associations handle an average of approximately 12 million pounds of tobacco or about one-third of the total crop each year. All of the associations are operated on the basis of the CCC Loan Program. Establishment of a Production and Marketing Board, made up of representatives of growers, associations, "refaccionistas" (dealers) and buyers with the Secretary of Agriculture as its Chairman, is now under consideration. Such a board would have the responsibility of formulating policies and developing means of securing better information and cooperation in regard to the production and marketing of Puerto Rican tobacco.

### Marketing

When the tobacco has dried, it is removed from the stick, rolled into a hand or bundle and tied with the end of the string on which the leaves are strung. The tobacco is then ready for market and is delivered to the Associations or "refaccionistas" warehouses where it is graded. For loan purposes the Association grades conform to standard grades established by the U.S. Department of Agriculture Grading Service.

Commodity Credit Corporation loans are made only on graded tobacco that is certified by a U.S. Grading Service Inspector. There are twenty standard grades used in Puerto Rican tobacco which are grouped into six divisions for loan advances. The loan advances for the 1954-55 crop range from 12 to 45 cents per pound and average 32.6 cents as compared to an average of 32.4 cents for the 1953-54 crop advance. A total of more than 46 million pounds of Puerto Rican tobacco has been placed under loan by growers since 1946 when the loans were first made.

The "refaccionistas" grade their tobacco in much the same way as that delivered to the Associations but use fewer grades and groups of grades. Growers selling through these dealers may sell on the basis of prices offered and accepted by grades, by groups of grades, or by an average price for the entire crop.

After the tobacco is graded, it is placed in large round bulks for fermentation. The size of bulks and the length of time it is allowed to remain in bulk depend on the nature of the tobacco and weather conditions. Tobacco is rebulked from two to six times depending on the amount of heat generated in the bulk, and on the nature of the tobacco. When fermentation is complete, the tobacco is put in bales of 150 pounds covered with burlap. It is at this stage that stripping begins. Two-thirds of the stem or midrib is removed by hand and each leaf is again graded. The stripped tobacco is again fermented, dried and baled.

Approximately 70 percent of a "normal" crop is of grades suitable for stripping. These grades are for long filler cigars. Thirty percent is "boliche" (non-strippable) which is used for cuttings for short filler cigars.

### The 1952-53 Crop

The quality of the 1952-53 crop was very good. That year's production of 33.2 million pounds exceeded the quota by 3.2 million pounds. Production of chewing tobacco in 1952-53 met the quota of 1.2 million pounds. Demand was good and the entire crop was sold.

Yield per acre in 1952-53 was approximately 5 to 8 percent above "normal" due to favorable growing conditions. (Rains in January and clear weather in February and March determine to a great extent the size and quality of tobacco grown in the tropical islands.) The color was excellent, varying from a light brown in the Caguas district to a deep mahogany in the Utuado district. The burn and aroma of tobacco from all districts were good. Heavier tobaccos from the Utuado, Ciales, Orocovis and Juncos districts showed a tendency to bruise during fermentation, yielding a larger percentage of "manchado" (stained or spotted) tobacco than expected. With this exception, the 1952-53 crop was one of the best in many years from the standpoint of average return to the producers and general use by the manufacturers.

Compared to 1951-52, the 1952-53 marketing situation was unusual. The associations received 100 percent of parity for graded leaf tobacco from the 1951-52 crop, giving them an average of \$34.33 per 100 pounds. In 1952-53, they received 92 percent of parity for the graded leaf giving an average of \$35.33 per hundred pounds. Association members actually averaged \$1.02 per 100 pounds more in 1952-53 at 92 percent of parity than they received in 1951-52 at 100 percent of parity. This was due to better quality tobacco that graded 3 percent higher. The yield per acre was also higher in 1952-53 than it was in 1951-52. The "refaccionistas" (dealers) paid producers an estimated average of \$28.50 per 100 pounds in 1951-52 and an estimated average of \$30.50 per 100 pounds in 1952-53. The top grades of strip sold for \$1.10 per pound in both years. Non-strippable tobacco sold for \$28 per 100 pounds in 1951-52 and \$31 per 100 pounds in 1952-53. The extra 6 1/2 percent paid by dealers to producers for the 1952-53 crop was practically covered by the increase in strip yield of top grades plus the \$3.00 per hundred pounds increase in the price of non-strippable tobacco.

### The 1953-54 Crop

The 1953-54 crop is estimated at 34.1 million pounds from 40,500 acres. The quota allotment was 28,500 acres. The excess production was held off the market for several months by the Commissioner of Agriculture, then released for sale through the normal channels of trade. The better grades of tobacco have been sold or committed for sale, but the freeing of the excess tobacco has weakened the market for the lower grades of strip.

The 1953-54 crop was the most unusual in the past twelve years because of the wide difference in quality between the crops in the various districts. This was due to a number of causes. The tobacco in the Utuado, Ciales, Orocovis and part of the Naranjito districts was excellent. The planting season was delayed from 3 to 5 weeks because of the coffee harvesting which employed a greater part of the labor at high prices. This delay in planting allowed the tobacco a good growing season during the heavy rains in February, and a delayed harvesting season that was good. The tobacco was thinner in texture than normal, but contained sufficient oil to develop a nice aroma and good smoking qualities. Tobacco of the Comerio district was planted unusually early and a large percentage was harvested before

the heavy rains of February. While the smoking qualities were good, the yields were low and the last part of the harvest was field and barn damaged. The tobacco of the Caguas, Juncos, San Lorenzo, Barranquitas, Cayey and Aibonito districts was below normal in quality. It contained a large percentage of washed-out, field-scalded and barn-damaged tobacco due to the heavy rains during the latter part of the growing season, and the harvesting and curing season.

The prices received by the producers and the prices for most stripped leaf were lower for the 1953-54 crop. The yield in strippable grades varied from 64 percent in the poor districts to 74 percent in the best districts, which is a wide range. The crop average for the tobacco sold under the price support program was approximately \$31.25 per 100 pounds. However, the dealers handled 65 percent of the crop and paid the producers an approximate average of \$26 per 100 pounds. For the entire crop the average price received was approximately \$28.84 per 100 pounds. The low prices paid by the dealers will probably cause more farmers to deliver their tobacco to the farmers' associations in 1955. The associations sold their tobacco for 90 percent of parity plus operating expenses which amounted to a decrease in price of from 1 to 2 percent as compared to the previous year. The dealers received from 5 to 10 percent less than last year for the tobacco in strip form.

#### Exports of Unmanufactured Tobacco

Practically all the shipments of unmanufactured tobacco are sent to the United States, with quantities shipped to other countries exceeding 2 percent of the total exports in only 3 of the past 30 years. In the year July 1953-June 1954 shipments to the United States totaled 20 million pounds, 35 percent above the 1952-53 level and higher than any year since 1945-46.

U.S. purchases of Puerto Rican tobacco reached a peak in 1927-28 when almost 35.7 million pounds were shipped. Since that time the trend has been generally downward. In 1943-44 shipments fell to less than 8.9 million pounds as the result of the lack of shipping, but this was partly compensated for by correspondingly larger shipments in the next two years with the total reaching almost 28 million in 1945-46. The downward trend appears to have been halted with the larger takings in 1953-54. Data for the period from July to December 1954, indicate that shipments to the United States totaled almost 14.1 million pounds, a slightly higher figure than the 13.3 million pounds moved in the last half of 1953.

Puerto Rico: Exports of Unmanufactured Tobacco to the United States  
and Other Countries, 5-year averages '1925-1949,  
annual 1950-54 (year ending June 30)

Year	United States	Other Countries	Total
	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Average:			
1925-29	28,224	88	28,312
1930-34	20,001	25	20,026
1935-39	22,124	360	22,484
1940-44	17,788	$\frac{1}{2}$ 1	17,789
1945-49	19,304	$\frac{2}{2}$ 1,168	20,472
Annual:			
1949-50	18,971	1,614	20,585
1950-51	17,408	106	17,514
1951-52	18,610	23	18,633
1952-53	14,825	$\frac{3}{3}$	$\frac{3}{3}$
1953-54	20,041	$\frac{3}{3}$	$\frac{3}{3}$
1954-55 <sup>1/</sup>	14,061	$\frac{3}{3}$	$\frac{3}{3}$

<sup>1/</sup> Figures for 1942-44 not available.

<sup>2/</sup> No data available for 1945.

<sup>3/</sup> Not available.

<sup>4/</sup> Data for 6 months only, July to December 1954.

Source: Annual Book on Statistics of Puerto Rico and data from  
the Bureau of the Census.

Imports of Unmanufactured Leaf

Practically all of the imports of unmanufactured leaf is flue-cured from the United States, although small amounts of other kinds of leaf are taken from other countries. Imports have decreased sharply from approximately 1.5 million pounds in the 1940-44 period to 838,000 pounds in 1945-49 and have declined further to an average of about one-half million pounds annually in the past four years 1950-54. The decrease in imports of leaf is due to a shift to increased imports of U.S. cigarettes.

Puerto Rico: Imports of unmanufactured tobacco from the United States  
and Other Countries, 5-year averages 1925-1949,  
annual 1950-52 (year ending June 30)

Year	:	United States	:	Other Countries	:	Total
	:	1,000	:	1,000	:	1,000
	:	<u>pounds</u>	:	<u>pounds</u>	:	<u>pounds</u>
Average:	:		:		:	
1925-29	:	3,331	:	883	:	4,214
1930-34	:	3,052	:	357	:	3,409
1935-39	:	1,579	:	323	:	1,902
1940-44	:	1,541	:	2	:	1,543
1945-49	:	828	:	10	:	838
Annual:	:		:		:	
1949-50	:	432	:	4	:	436
1950-51	:	544	:	-	:	544
1951-52	:	<u>1/</u>	:	12	:	<u>1/</u>

1/ Not available.

Source: Annual Book on Statistics of Puerto Rico.

Output of Manufactured Tobacco Products

Domestic production of cigars and cigarettes have declined sharply from levels of the 1920's and early 1930's. The demand for cigars has decreased to the extent that cigar production has declined from a high of 784 million pieces annually in the 1930-34 period to a low of 61 million in 1948. Since 1948 cigar output has risen slightly to 75 million in 1952, and may continue to increase as a result of the favorable tax policies of the United States and Puerto Rican Governments.

Cigarette production which totaled 370 million pieces annually in the 1925-29 period, declined to about 100 million pieces per year from 1940-45, and since that time has dropped to the point where output in 1952 was only 4 million pieces. Cigarette consumption is increasing but the demand is for blended cigarettes from the United States, with demand for the dark-type greatly decreasing.

Puerto Rico: Output of cigars and cigarettes, 5-year averages  
1925 to 1944, annual 1945-52 (year ending June 30)

Year	:	Cigars	:	Cigarettes
	:	Million	:	Million
	:	Pieces	:	Pieces
Average:	:		:	
1925-29	:	250	:	370
1930-34	:	784	:	179
1935-39	:	84	:	75
1940-44	:	92	:	101
Annual:	:		:	
1945	:	144	:	100
1946	:	126	:	15
1947	:	100	:	12
1948	:	61	:	8
1949	:	67	:	8
1950	:	69	:	6
1951	:	69	:	6
1952	:	75	:	4

Source: Annual Book on Statistics of Puerto Rico.

Exports of Manufactured Products

Both cigars and cigarettes are exported, but the levels of both have declined sharply in recent years. Shipments of cigars to the United States declined steadily in the 15 year period prior to World War II. During the 1940-44 war period exports to the United States decreased to an annual average of less than 3.5 million cigars, while after the war shipments again rose to an average of over 80 million pieces in 1945 and 1946, but dropped sharply thereafter. Exports of cigars to the United States which accounts for practically all foreign sales averaged less than 500,000 pieces annually in the 1950-52 period, but rose to 27.3 million in 1953-54 and in July-December 1954 totaled 27.6, slightly more than the quantity shipped in the entire year just preceding. This increase stems in part from the fact that one of the U.S. cigar companies has started manufacturing cigars in Puerto Rico.

There is no duty on Puerto Rican tobacco products imported by the United States.

Puerto Rico: Exports of manufactured tobacco by kind, 5-year averages  
1925 to 1944, annual 1945-54 (year ending June 30)

Year	Cigars			Cigarettes		
	United States	Other	Total	United States	Other	Total
	Million	Million	Million	Million	Million	Million
	Pieces	Pieces	Pieces	Pieces	Pieces	Pieces
Averages:						
1925-29	175.0	-	175.0	5.8	8.5	14.3
1930-34	112.6	-	112.6	8.4	12.5	20.9
1935-39	35.6	0.1	35.7	4.7	1.4	6.1
1940-44	3.2	1/ 0.1	3.3	3.2	1/ 0.2	3.4
Annual:						
1944-45	88.7	2/	88.7	70.8	2/	70.8
1945-46	76.4	0.1	76.5	5.0	3/	5.0
1946-47	41.4	3/	41.4	3/	3.5	3.5
1947-48	3.6	3/	3.6	3/	1.5	1.5
1948-49	5.9	3/	5.9	-	-	-
1949-50	0.9	3/	0.9	0.1	0.5	0.6
1950-51	0.4	3/	0.4	-	-	-
1951-52	0.3	3/	0.3	4/	4/	4/
1952-53	2.7	-	2.7	4/	4/	4/
1953-54	27.3	-	27.3	4/	4/	4/
1954-55 5/	27.6	-	27.6	2/	2/	2/

1/ Figures for 1942-44 not available.

2/ Not available.

3/ Less than 50,000 pieces.

4/ The following amounts of other tobacco and manufactures not specified by type was reported 11,000 pounds in 1951-52, 17,863 pounds in 1952-53, 6,265 pounds in July-December 1953-54.

5/ Data for 6-months only July-December 1954.

Source: Annual Book on Statistics of Puerto Rico.

Imports of Manufactured Tobacco Products

During the last 25 or 30 years the imports of cigarettes virtually all of which are from the United States have increased greatly. Imports have risen from about one-half billion cigarettes annually in the mid-1930's to an average of 1.5 to 1.7 billion in the last 4-year period.

The imports of cigars have decreased sharply with the shift to increasing demand for cigarettes.

The value of all manufactured tobacco products shipped from the United States to Puerto Rico has been increasing, reflecting the increase in cigarette sales, and now exceed \$5 million annually. Imports from other countries are insignificant.

Puerto Rico: Imports of manufactured products  
from the United States by kind, 5-year averages  
1925-1949, annual 1950-52  
(year ending June 30)

Year	Cigarettes	Cigars
	1,000	1,000
	<u>pieces</u>	<u>pieces</u>
Average:		
1925-29	315,147	1/
1930-34	466,656	99
1935-39	724,059	126
1940-44	953,047	831
1945-49	1,343,134	513
Annual:		
1949-50	1,601,937	23
1950-51	1/	1/
1951-52	1,534,075	-
1952-53 2/	861,346	1/
1953-54 3/	895,069	1/

1/ Not available.

2/ Six months only available, January to June 1953.

3/ Six months only available, July to December 1953.

Source: Annual Book on Statistics of Puerto Rico.

Puerto Rico: Value of Manufactured Tobacco Products  
Imported from the United States and Other Countries, 1947-52  
(year ending June 30)

Year	United States	Foreign Countries	Total
	1,000	1,000	1,000
	<u>dollars</u>	<u>dollars</u>	<u>dollars</u>
1946-47	4,427.5	1.4	4,428.9
1947-48	4,366.7	1.4	4,368.1
1948-49	4,859.7	0.9	4,860.6
1949-50	5,329.9	1.6	5,331.5
1950-51	5,990.0	0.6	5,990.6
1951-52	5,353.3	1.4	5,354.7

Source: Annual Book on Statistics of Puerto Rico.

### Promotion of Puerto Rican Leaf

Puerto Rican cigar tobacco is competitive on a quality and price basis in world markets, however, its desirable qualities are well known to manufacturers and cigar smokers in only a limited number of countries. A number of factors are responsible for this situation. Some segments of the Puerto Rican trade do not appear to be adequately informed as to supply, demand and prices for cigar leaf in world markets. Moreover, there are very few foreign sales representatives. Sales promotion work is not comprehensive or well developed. For instance, cigar manufacturers who use large quantities of Puerto Rican tobacco do not indicate this fact on the cigar boxes or in other forms of advertising, although this is the usual practice with certain other types of cigar leaf, especially the Cuban tobaccos. However, favorable tax treatment extended by the Government to the cigar industry has encouraged the establishment of modern cigar factories, one of which has a rated output of 350,000 cigars per day.

### Outlook for Puerto Rican Tobacco

Since 1942 the tobacco industry in Puerto Rico has gradually moved from a state of confusion, indifferent production, unstable market conditions and poor returns to producers to controlled production, with marketing quotas, a better regulated market with C.C.C. price supports and better returns to producers. Government agencies, manufacturers and producers are showing more interest in developing the tobacco industry. The industry as a whole can continue to grow if reasonable efforts are made to develop the various phases of the industry. The tobacco industry of Puerto Rico has many advantages as (1) there is a growing popularity for this kind of tobacco, (2) there are no import duties on Puerto Rican tobacco into the U.S., (3) the United States revenue taxes on tobacco products manufactured in Puerto Rico and imported into the United States are refunded to the Puerto Rican Government, (4) the production and marketing of similar types of tobacco in certain other Caribbean Islands is declining, and (5) the climate and soils are favorable for producing very good quality cigar tobacco.



# FOREIGN AGRICULTURE CIRCULAR

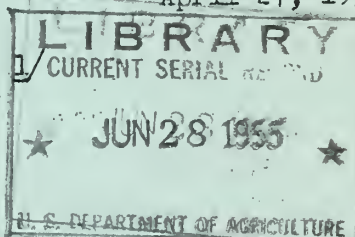
UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 16-55

April 27, 1955

## THE UNITED KINGDOM TOBACCO MARKET

### Summary and Outlook



### General Background

The United Kingdom historically has been the largest tobacco-importing country, taking nearly one-third of all the tobacco moving in international trade. It has also been the top tobacco customer of the United States for over three hundred years. Since the end of World War II, slightly over one-third of total United States tobacco exports have moved to Britain, compared with nearly one-half during the immediate prewar period.

The United Kingdom is definitely a "quality" market for tobacco. The non-adulteration statute in force there makes it impossible to disguise inferior leaf used in the manufacture of cigarettes. British manufacturers must, of necessity, purchase high-quality leaf. The non-adulteration law also has made it virtually impossible to manufacture an American-type blended cigarette.

Despite having the world's heaviest tobacco tax load, the United Kingdom is second only to the United States in per capita consumption of cigarettes. Government income from tobacco in the United Kingdom is the equivalent of about \$1,750,000,000, about equal to the Federal Government tobacco tax revenues in the United States, which has more than three times the population of Britain.

In the years just prior to World War II, about 75 percent of the United Kingdom's total imports and consumption of tobacco was of United States origin; in recent years, the United States' share has dropped to about 50 percent.

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1/ Based partially on observations made by Mr. R. A. Owen, Director, Tobacco Division, FAS, who recently returned from a survey trip to important tobacco-consuming countries in Western Europe, and partially on material in FAS files. Acknowledgement is made of the assistance given by the agricultural attache in London, members of his staff, British Government officials, and the trade.

Despite a major effort on the part of the United States to maintain its historic percentage share in the British market, results have not been satisfactory. During the postwar period of severe dollar shortages in Britain, over 400 million pounds of U. S. tobacco were furnished under the provisions of the various foreign aid programs. Even with this aid, the share of our tobacco farmers in the British market declined.

The United Kingdom government in recent years has encouraged leaf importers to purchase larger supplies outside the United States by certain measures including: (1) a limitation on the quantities of "dollar" tobacco that manufacturers withdrew from bond for manufacture; (2) limited allocations of dollars for the purchase of tobacco; (3) restrictions on the number of dealers who could handle "dollar" leaf; and (4) retention of the duty preference on Commonwealth leaf, now amounting to 1 shilling 6½ pence (about 21 U.S. cents) per pound.

Increases in duty rates on leaf have been closely tied in with limitations on purchases and usings of "dollar" tobacco. The present non-preferential rate on unstripped unmanufactured tobacco containing 10 percent or more of moisture -- the principal category of leaf imports -- is the equivalent of U.S. \$8.14 per pound. This is about 11 times the landed value of the tobacco. These duty increases, especially those made effective in 1947 and 1948, resulted in sharp increases in prices of tobacco products and acted to keep demand in line with available supplies of leaf.

#### Recent Developments

Beginning with July 1, 1954, the allocation system, whereby each manufacturer was given a fixed percentage of the total amount of dollars available for tobacco purchases was made more flexible. Under the new arrangements, each manufacturer agrees that of his total usings of "light" and oriental tobacco in cigarettes produced for domestic consumption, not more than 61 percent shall consist of "light" tobaccos from dollar areas (United States and Canada). Each would plan his dollar purchases accordingly. This has resulted in some increase in purchases of leaf in the United States, and has permitted the British tobacco trade to step up production of the most popular brands of cigarettes. It appears that "dollar" tobacco will share in any increase in consumption in the United Kingdom. This could well be the turning point in the steady decline in usings of United States leaf tobacco in Britain, assuming that the gross usings of leaf for domestic trade and export increases.

The recent refusal of British manufacturers to continue the agreement with Southern Rhodesian tobacco growers for 5 years in advance is indicative of the unsettled condition in which the industry finds itself at present. The present agreement, initiated in 1947, and renewed each year, provides for purchases of specific quantities of Rhodesian tobaccos. The present agreement is in effect through 1958.

#### Probable Future Policy

The overriding British policy toward imports of United States leaf is closely tied in with fluctuations in the level of gold and dollar reserves in the

United Kingdom. There appears to be a limit on percentage usings of U. S. leaf below which manufacturers would hesitate to operate, because of consumer preference for cigarettes containing substantial proportion of U. S. tobacco. On the other hand, dollars cannot be made freely available for purchases here as long as existing reserves and future prospects for maintaining or improving their level are considered uncertain. There is the long-standing desire on the part of the British government to encourage purchases of as large a quantity of tobacco as possible from Commonwealth areas, and to avoid dependence on only one major source of supply. Future British policy toward tobacco imports from the U. S. will doubtless take all these factors into consideration.

Principal developments in the United Kingdom tobacco industry, with special references to their effect on imports and consumption of U. S. leaf tobacco, are discussed in some detail below.

### Barriers Affecting Imports From the United States

For many years, the United Kingdom has had a policy of encouraging tobacco production in Commonwealth areas. This policy has been implemented by means of a duty preference on leaf from Empire sources which was re-established in September 1919 after a nonpreference interval of about 75 years. The preference has resulted in lower cost to British manufacturers for Empire leaf relative to other sources, but manufacturers have continued to prefer United States leaf and consumers will not shift voluntarily to cigarettes made exclusively from Empire and Oriental types of tobacco.

Imperial Preference has been an important factor in aiding Empire sources to gain an increasing share of the United Kingdom market. Imports from Commonwealth sources, which represented only about 24 percent of the prewar total, rose to about 45 percent in 1954; imports from the United States declined from 75 percent of the market in prewar to 51 percent in 1954.

There have been other barriers affecting tobacco from dollar areas, particularly the United States, to conserve dollars for the purchase of items considered by the United Kingdom Government to be more important than tobacco. Restrictions were placed on manufacturers' use of leaf tobacco when the British Government found that consumption could not be sufficiently limited by raising prices of cigarettes. Restrictions were most severe on use of dollar tobacco. These restrictions aided in bringing about the desired shift toward increased imports and use of tobacco from Commonwealth areas and the other soft-currency tobacco producing countries.

In addition to limiting withdrawals of U. S. tobacco from bond, the following developments have acted to encourage the substitution of Empire and other tobaccos for United States leaf:

1. Dollar exchange allocations for the purchase of United States tobacco have been limited and there has been no significant limitation on soft currencies for the purchase of tobacco.

2. A contract has been entered into between British manufacturers and Southern Rhodesian tobacco growers under which the manufacturers have agreed to purchase about two-thirds of the Rhodesian production subject to the following provisos: quality must be suitable, prices reasonable, and if the United Kingdom's consumption drops meanwhile by 20 percent or more, British buyers will reduce purchases.

3. British manufacturers have agreed to use a minimum of 5 percent oriental tobacco, over-all, in cigarettes produced for home consumption.

### Production

Commercial production of tobacco in the United Kingdom is insignificant and plays no important part whatsoever in the manufacture of tobacco products. Because of unsuitable soil and climatic conditions in the United Kingdom, only a few thousand pounds of leaf are grown domestically and practically the entire supply is imported. Quantities of home-grown tobacco retained for commercial consumption have averaged less than 500 pounds since 1947 in contrast to 5,065 pounds prewar.

### Trade

The United Kingdom imports unmanufactured tobacco from a wide range of countries. Imports of unmanufactured tobacco have increased from the prewar annual average of 269.3 million pounds to 312.5 million pounds in 1954.

Table 1.- United Kingdom: Imports of unmanufactured tobacco by country of origin, 1935-39 and 1947-51 average, 1951 through 1954

Country of Origin	: Average : : 1935-39 : : 1,000 : : pounds	: Average : : 1947-51 : : 1,000 : : pounds	: 1951 : : 1,000 : : pounds	: 1952 : : 1,000 : : pounds	: 1953 : : 1,000 : : pounds	: 1954 : : 1,000 : : pounds
<b>British Commonwealth:</b>						
Southern Rhodesia	: 15,667	: 44,941	: 50,404	: 58,448	: 57,312	: 62,818
Nyasaland	: 12,357	: 15,453	: 16,107	: 11,831	: 10,933	: 13,969
India	: 19,670	: 34,475	: 40,120	: 38,319	: 31,426	: 36,218
Canada	: 14,268	: 17,079	: 21,664	: 32,709	: 24,079	: 24,860
Other	: 1,638	: 3,280	: 3,092	: 2,170	: 3,169	: 1,625
<b>Total</b>	: 63,600	: 115,228	: 131,387	: 143,477	: 126,919	: 139,490
<b>Foreign Countries:</b>						
United States	: 200,836	: 176,688	: 212,005	: 66,798	: 174,161	: 159,667
Turkey	: 645	: 8,898	: 3,155	: 571	: 2,369	: 2,836
Greece	: 621	: 3,759	: 1,273	: 1,170	: 767	: 1,445
Netherlands 1/	: 1,065	: 1,361	: 3,799	: 9,080	: 9,672	: 6,765
Other	: 2,495	: 1,700	: 3,259	: 2,632	: 1,882	: 2,285
<b>Total</b>	: 205,662	: 192,406	: 223,491	: 80,251	: 188,851	: 172,998
<b>GRAND TOTAL</b>	: 269,262	: 307,634	: 354,878	: 223,718	: 315,770	: 312,488

1/ Re-exports.

Source: Annual Statement of the Trade of the United Kingdom.

The United States is the principal source of tobacco imports, but its share of the market has been declining in favor of Commonwealth leaf. Despite every effort to increase Empire tobacco production as rapidly as possible, sufficient tobacco has not been available from Empire sources to bridge the gap caused by the reduction in supplies from the United States. Substantial quantities of U. S. tobacco were made available through U. S. foreign aid programs. Paid shipments of unmanufactured tobacco from the United States under these programs represented about 60 percent of the United Kingdom's total imports from the United States from 1948 through 1951.

In 1947, United Kingdom manufacturers entered into an agreement with Southern Rhodesian growers with a view to expanding tobacco production as rapidly as possible to cope with a domestic demand which exceeded available supplies and led to a shortage of unmanufactured tobacco during 1947 and 1948. Under this arrangement, a five-year program was drawn up to be reviewed at the end of each year for a further five years ahead. An export quota control was imposed in Southern Rhodesia in 1947 at the request of the British Tobacco Advisory Committee, to insure that the British market would get a fair share at reasonable prices. This export quota control was abolished in 1952. Since 1952, an agreement has been in effect for the purchase of Southern Rhodesian leaf by British manufacturers for the following quantities of Southern Rhodesian leaf: 1952, 75 million; 1953, 80 million; 1954 and 1955, 85 million; and 1956, 1957 and 1958, 80 million pounds. Actual imports of Southern Rhodesian leaf by British manufacturers during 1952 and 1953 represented only about 75 percent of the quantities provided for in the agreement.

Imports of oriental leaf principally from Turkey and Greece increased substantially during the immediate postwar period. Imports from these two countries, however, have declined from the 1947-51 level, but still exceed the prewar average.

Imports of flue-cured tobacco into the United Kingdom during the period 1951-54 were nine percent above prewar. Imports of flue-cured from the Commonwealth countries have more than tripled since prewar, whereas imports from the United States have decreased substantially. Flue-cured tobacco is used mainly in cigarettes, and to a limited extent in pipe mixtures. Oriental tobaccos also are used principally in cigarettes.

Imports of other types, including dark air-cured and fire-cured, are obtained primarily from Nyasaland and India, with small quantities coming from Northern Rhodesia, Southern Rhodesia, Tanganyika, Canada, and other Commonwealth countries. Imports of cigar leaf are obtained from British North Borneo, Brazil, Cuba, Jamaica, and the United States and as re-exports of Indonesian leaf from the Netherlands.

Table 2.- United Kingdom: Gross imports of flue-cured and other unmanufactured tobaccos, 1935-39 and 1947-51 average, 1951 through 1954

Type and Country of Origin	Average :1935-39	Average: 1/:1947-51	: 1951	: 1952	: 1953	: 1954
	: Million	: Million	: Million	: Million	: Million	: Million
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
<u>Flue-cured:</u>						
Commonwealth Countries	: 36.1	: 92.9	: 110.7	: 127.4	: 109.9	: 120.9
United States	: 205.8	: 172.6	: 207.9	: 61.7	: 171.7	: 157.3
Other	: 3.6	: 1.2	: 2.6	: 2.8	: 1.5	: 2.0
Total	: 245.5	: 266.7	: 321.2	: 191.9	: 283.1	: 280.2
<u>Other types: 2/</u>						
Commonwealth Countries	: 20.8	: 22.4	: 20.9	: 16.1	: 17.0	: 18.6
United States	: 6.2	: 4.0	: 4.0	: 5.2	: 2.5	: 2.4
Other	: 2.5	: 14.5	: 8.8	: 10.5	: 13.2	: 11.3
Total	: 29.5	: 40.9	: 33.7	: 31.8	: 32.7	: 32.3
GRAND TOTAL	: 275.0	: 307.6	: 354.9	: 223.7	: 315.8	: 312.5

1/ Prewar classification of tobacco was "light" and "dark," No data was available for 1939; used a 1934-38 average.

2/ Breakdown by types unavailable.

Source: Tobacco Intelligence of the Commonwealth Economic Committee

The principal United States types of leaf exported to the United Kingdom are flue-cured, Kentucky-Tennessee fire-cured, Green River, and Burley.

Exports of all types of U. S. leaf except Burley have declined from prewar levels. The United Kingdom still represents the most important U. S. export market for flue-cured, Green River, and Perique. The extreme fluctuations in U. S. exports to the United Kingdom during the last three years were due to the acute shortage of dollar exchange. Exports in 1951 exceeded both the prewar and postwar averages because the British Government increased the dollar allocation substantially above the preceding years, permitting partial replenishment of manufacturers' stocks. The sharp decline in exports of U. S. leaf during 1952 was the result of delayed shipments from the 1952 crop, since a considerable quantity of tobacco was held under an option purchase agreement and was not shipped to the United Kingdom until the early part of 1953.

Table 3.- United States: Exports of unmanufactured tobacco to the United Kingdom, by types, 1935-39 and 1947-51 average, 1951 through 1954

Type	Average: 1935-39	Average: 1947-51	1951	1952	1953	1954
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
Flue-cured	193,519	174,736	219,679	50,330	177,648	147,997
Burley	279	702	331	280	421	236
Ky.-Tenn. fire-cured	2,739	1,217	1,425	2,633	298	420
Virginia fire-cured	1,471	418	-	156	284	167
Black Fat	28	-	-	-	-	7
Maryland	34	31	-	-	-	-
Green River	1,957	505	-	1,286	1,026	967
One Sucker	5	18	-	2	-	-
Cigar Leaf 1/	134	55	28	3	15	17
Perique	86	37	36	39	36	34
Trimmings, stems, and scrap	169	46	-	-	2	11
Total	200,421	177,765	221,499	52,096	179,730	149,856

1/ Mainly binder.

The United Kingdom for many years has been one of the world's greatest exporters of tobacco products, largely cigarettes. The export trade in cigarettes has been world-wide. The principal Commonwealth export outlets have been Pakistan, Singapore, Australia, and the Malayan Union. The principal foreign countries have been West Germany, the Belgian Congo, and Egypt.

The United Kingdom's imports of manufactured products are relatively insignificant.

Table 4.- United Kingdom: Exports of British manufactured cigarettes by country of destination, 1935-39 and 1947-51 average, 1951 through 1954

Country of destination	1935-39: average	1947-51: average	1951	1952	1953	1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
<b>Commonwealth Countries</b>						
Singapore	: 8,915	: 8,931	: 9,736	: 8,772	: 8,874	: 9,041
Malayan Union	: 2,936	: 7,652	: 8,958	: 8,990	: 7,932	: 6,117
Hong Kong	: 446	: 2,549	: 1,959	: 1,562	: 1,329	: 1,410
New Zealand	: 1,042	: 647	: 226	: 494	: 195	: 774
Australia	: 70	: 5,300	: 8,109	: 4,029	: 4,932	: 2,982
Palestine	: 108	: 1,699	: -	: 2,617	: -	: -
British West Africa	: 1,523	: 1,623	: 2,935	: -	: -	: -
Anglo-Egyptian Sudan	: 156	: 990	: 1,272	: 1,404	: 1,190	: 1,101
British East Africa	: 1,085	: 369	: 382	: 297	: 318	: 351
Other Commonwealth Countries	: 2,867	: 4,772	: 3,871	: 3,838	: 6,627	: 6,595
<b>Total</b>	: 19,148	: 34,532	: 37,448	: 32,103	: 31,397	: 28,371
<b>Foreign Countries</b>						
W. Germany	: 13	: 2,439	: 2,211	: 2,738	: 2,243	: 2,357
Belgian Congo	: 1/	: 2,160	: 3,022	: 2,779	: 2,244	: 1,969
Egypt	: 343	: 1,316	: 1,162	: 1,496	: 1,276	: 1,089
Belgium	: 298	: 502	: 171	: 220	: 145	: 137
Burma	: 69	: 307	: 210	: 1,101	: 747	: 345
Arabia	: 1/	: 580	: 888	: 809	: 643	: 820
Thailand	: 2,708	: 288	: 330	: 287	: 185	: 147
France	: 323	: 191	: 731	: 1,007	: 702	: 796
Other Foreign Countries	: 2,187	: 2,901	: 2,676	: 2,584	: 2,427	: 2,555
<b>Total</b>	: 5,941	: 10,684	: 11,401	: 13,021	: 10,612	: 10,215
<b>GRAND TOTAL</b>	: 25,089	: 45,216	: 48,849	: 45,124	: 42,009	: 38,586

1/ If any, included in other foreign countries.

Source: Annual Statement of Trade of the United Kingdom.

### Utilization of Leaf

Utilization of unmanufactured tobacco by British tobacco manufacturers is represented by gross clearances from bond. These gross clearances represent duty-paid clearances, including both leaf and tobacco products to be used for domestic consumption and all tobacco exported, deposited or abandoned on which a drawback is obtained. Net clearances reflect the amount of tobacco used in products for home consumption. The difference between gross and net clearances reflects the amount of tobacco on which drawback has been paid.

The proportion of unmanufactured tobacco of Commonwealth origin used, as indicated by net clearances, during 1954 was 47.6 percent compared with 32.9 percent during 1947-51 and 20.4 percent in 1935-39. This increased use of commonwealth

tobacco in the domestic market largely displaced United States leaf. The upward trend in such use was stimulated by a Board of Trade Order in 1940 to conserve stocks of leaf tobacco by restricting manufacturers' clearances of tobacco from bond to 90 percent of the quantity cleared in the year ended March 31, 1940. As larger supplies from the United States became available, this percentage was increased. The amount of leaf which a manufacturer could clear from bond for the home market was limited by quota from August 1, 1940 to April 30, 1950.

The export trade was not subject to quota, but the United Kingdom dollar allocation for the purchase of leaf included an allocation for export manufacture. Between April 30, 1950 and July 1, 1954, a system of allocating dollar leaf among manufacturers on a fixed percentage basis was employed, but was discontinued on the latter date. At present, manufacturers have greater freedom to adjust their supplies to demand. However, manufacturers have been persuaded not to use more than 60 percent of "dollar" tobacco in cigarettes for domestic consumption and to make up the remaining 40 percent from Commonwealth tobacco and other sources.

Table 5.- United Kingdom: Supply and distribution of unmanufactured tobacco, 1935-39 and 1947-51 average, 1951 through 1954

Year	Imports		Utilization of Leaf				Exports		
	Stocks:	Re-	Gross	Draw-	Net		Re-	Tranship-	Stocks
	Jan. 1	Gross	tained	Clear-	back	1/	Clear-	Total	exports
				ance		2/			under bond
----- Million pounds -----									
Average :	:	:	:	:	:	:	:	:	:
1935-39:	497	269	258	237	37	200	19	11	8
1947-51:	403	308	305	279	62	216	8	3	5
Annual :	:	:	:	:	:	:	:	:	:
1951 :	441	355	348	287	66	221	13	7	6
1952 :	498	224	212	280	62	218	15	12	3
1953 :	430	316	307	283	59	224	9	9	3/
1954 :	452	312	309	290	57	233	4	4	3/

1/ Includes quantities of manufactured products exported and retained as supplies and stores of the Naval and Military forces. Also, includes waste (offal) that is exported, abandoned or retained as stocks in bond.

2/ Quantities retained for the domestic market excluding manufactured tobacco.

3/ Unavailable.

Note: Totals do not add due to rounding.

Source: Tobacco Intelligence, Annual Statement of the Trade of the United Kingdom, and Trade and Navigation of the United Kingdom.

### Output and Consumption

Prewar, about 76 percent of the output of tobacco products was in the form of cigarettes, 23 percent in pipe tobacco and less than one percent in cigars and snuff. Since the war, the output of cigarettes represented about 85 percent of the total; pipe tobacco, 15 percent; and cigars and snuff less than one percent.

Total consumption of tobacco products, as indicated by sales to the public, increased from a prewar annual average of 191 million pounds to 245 million pounds in 1954.

Consumption in the United Kingdom has shown trends similar to those existing in other European countries; namely, a reduction in all tobacco products except cigarettes. Consumption of cigarettes has increased about 36 percent above the prewar level. Consumer demand for cigarettes is expected to continue its gradual upward trend. Per capita consumption of cigarettes exceeds prewar by about one pound.

Per capita consumption of pipe tobacco is expected to continue its downward trend; whereas, the per capita consumption of cigars and snuff is expected to remain relatively stable. Changes in consumption patterns can be attributed to the various price movements between the different products, increased smoking by women, and to the shift from other types of products to cigarettes.

### Retail Prices of Tobacco Products

Average retail prices of tobacco products have increased substantially from prewar. This increase is attributed, apart from the rise in wages, to higher costs of raw materials and the devaluation of the pound sterling, and to the sharp upward adjustments in import duties during 1947 and 1948. Average retail prices of tobacco products in 1953 (1935-39 average prices in parenthesis) were as follows: Cigarettes, 52.6 (20.5) U. S. cents per package of 20; and "other" products, 8.78 (3.32) U. S. dollars per pound. <sup>1/</sup>

### Taxation

The tobacco duty collected from the home trade is the largest single source of revenue, other than income tax accruing to the Exchequer. There are two rates on unmanufactured tobacco according to moisture content and derivative rates on the various kinds of imported manufactured tobacco. The rates on unmanufactured tobacco are differentiated between unstemmed and stemmed leaf by a slightly higher rate on stemmed. There are two rates on manufactured tobacco with the rates on cigars and cigarettes exceeding those on the other products. Since prewar, the duty on United Kingdom tobacco imports has increased tremendously, and at the same time the preferential treatment afforded the Commonwealth exporter has been reduced to one shilling, 6.5 pence per pound (about 21 U. S. cents). The duty is payable only when a manufacturer or dealer withdraws the tobacco from bonded warehouses. Revenues derived from import duties account for more than 99 percent of the total revenues collected from tobacco.

<sup>1/</sup> Official exchange rates: 1935-39 - - British pound equaled 4.886 U. S. dollars.  
1953--British pound equaled 2.80 U. S. dollars

In addition, manufacturers, dealers and growers are required to possess and pay annually an excise license duty to facilitate the revenue control of tobacco. Tobacco manufacturers are required to pay a license duty according to the quantity of raw tobacco received into their factories. The cost of the licenses are graduated upward depending directly upon the quantity received. Retailers' licenses are at a flat cost.

Total tobacco taxes represented 49.6 percent of the total prewar retail value of tobacco products, as compared with 78.6 percent during the postwar period. Revenues derived by the British Government from tobacco account for about 14 percent of the total revenue collected by the Exchequer.

Table 6.- United Kingdom: Gross and net clearance of unmanufactured tobacco from bond, 1935-39 and 1947-51 average, 1951 through 1954

Year	Gross Clearance 1/			Net Clearance 2/		
	: Commonwealth :			: Commonwealth:		
	: Foreign:	Preference :	Total :	: Foreign :	Preference :	Total
	: Million:	Million :	Million:	: Million:	Million :	Million
	: <u>pounds</u> :	<u>pounds</u> :	<u>pounds</u> :	: <u>pounds</u> :	<u>pounds</u> :	<u>pounds</u>
Average	:	:	:	:	:	:
1935-39 3/	: 189.3 :	47.8 :	237.1 :	: 160.0 :	41.1 :	201.1
1947-51	: 198.5 :	80.3 :	278.8 :	: 145.6 :	71.4 :	217.0
1951	: 183.1 :	104.1 :	287.2 :	: 130.3 :	90.9 :	221.2
1952	: 171.3 :	108.3 :	279.6 :	: 120.7 :	97.5 :	218.2
1953	: 169.4 :	115.9 :	283.3 :	: 120.1 :	104.0 :	224.1
1954	: 167.6 :	122.0 :	289.6 :	: 122.0 :	110.9 :	232.9

1/ Duty-paid clearances of unmanufactured tobacco, but does not include tobacco used in bonded factories. (Approximates total tobacco usings in United Kingdom factories for both domestic market and export trade.)

2/ Duty-paid clearances of tobacco, including manufactured tobacco, less quantity on which drawback has been paid. (Approximates total usings for domestic market.)

3/ Less than a five-year average, 1935 through 1938.

Source: Tobacco Intelligence and Annual Statement of the Trade of the United Kingdom.

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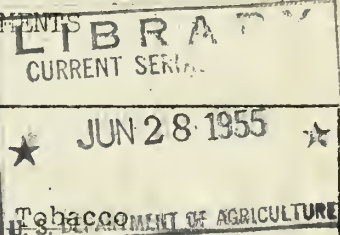
# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 17-55

April 28, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS



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### United States Imports of Unmanufactured Tobacco Calendar Year 1954

United States imports for consumption of unmanufactured tobacco totaled 106.4 million pounds in 1954, an increase of one percent over 1953 imports of 105.4 million pounds.

Imports of cigarette leaf at 79.3 million pounds in 1954 were slightly larger than 1953 imports of 78.0 million pounds. Turkey, as usual, was the largest supplier last year, furnishing 56.0 million pounds. Greece supplied 15.6 million in 1954 - up slightly from 1953. There were increases in imports from Italy and Yugoslavia. Imports from Syria were about 12 percent below those of a year earlier.

Imports of both cigar filler and wrapper in 1954 were below those of 1953. Imports of scraps and stems increased slightly in 1954.

United States: Imports of unmanufactured tobacco by principal countries of origin,  
calendar year 1954, with comparisons

Type and Country of Origin	Average 1947-51	1952	1953	1954	1955	1956
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
<u>Cigarette Leaf:</u>						
Turkey	46,848	54,954	56,884	55,966	35,625	35,363
Greece	9,327	14,541	14,318	15,569	12,362	12,995
Italy	237	810	1,210	1,918	975	1,836
Syria	3,838	3,897	3,295	2,898	1,307	1,058
Bulgaria	2,165	7	-	33	-	21
Soviet Union	2,783	2/	-	-	-	-
Northern Rhodesia	168	136	108	309	60	185
Southern Rhodesia	1,154	561	260	3/ (	135	3/ 4/ (
Yugoslavia	411	765	1,390	2,253	1,093	2,162
Other countries	247	247	509	386	291	132
Total	67,178	75,918	77,974	79,332	51,848	53,752
<u>Cigar Leaf: (filler stemmed &amp; unstemmed)</u>						
Cuba	16,477	13,874	14,165	13,887	19,898	18,390
Philippines	279	2,093	582	34	79	5
Other countries	11	21	30	41	15	19
Total	16,767	15,988	14,777	13,962	19,992	18,416
<u>Cigar Leaf: (wrapper stemmed &amp; unstemmed)</u>						
Cuba	285	371	431	491	2,071	2,212
Indonesia	804	758	445	387	2,172	1,963
Other countries	21	-	50	-	11	-
Total	1,110	1,129	926	878	4,254	4,175

Type and Country of Origin	Average 1947-51	1952	1953 1/	1954 1/	1953 1/	1954 1/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
Scraps and Stems						
Cuba	5,312	8,129	8,969	10,242	5,457	5,897
Philippines	309	1,219	2,303	1,416	612	395
United Kingdom	105	417	465	579	19	14
Other countries	687	58	19	38	2	30
Total	6,413	9,823	11,756	12,275	6,090	6,336
Total Imports	91,468	102,858	105,433	106,447	82,184	82,679

- 1/ Preliminary  
2/ Less than 500 pounds  
3/ Effective July 1, 1954, Federation of Rhodesia and Nyasaland including Northern and Southern Rhodesia  
4/ Official data not available, estimated  
5/ Includes Indonesian tobacco re-shipped from the Netherlands

Compiled in the Foreign Agricultural Service from records of the Bureau of the Census.

# Turkey's Leaf Tobacco Exports Lower in 1954

Turkey's exports of unmanufactured tobacco in 1954 were 12 percent below 1953 exports -- 139 million pounds compared with 158 million. Exports to the United States which had been very low early in 1954 picked up during November and December to total nearly 65 million pounds, which was still below the 72 million shipped in 1953. The average declared value of tobacco taken by the United States, which increased from 59.3 U.S. cents per pound in 1952 to 61.5 U.S. cents in 1953, rose further in 1954 to 63.0 U.S. cents per pound.

Shipments to nearly all major buyers were lower in 1954 than in 1953. Exceptions to this were greatly increased exports to the Soviet Bloc, up 209 percent and exports to France and Sweden, up 12 percent and 85 percent, respectively over 1953.

## TURKEY: Exports of unmanufactured tobacco

Country of Destination	1953	1954 1/	Percent Change
	1,000	1,000	
	pounds	pounds	Percent
United States	72,115	64,944	- 10
West Germany	22,347	12,221	- 45
Soviet Bloc 2/	7,962	24,624	+ 209
Great Britain	10,251	10,766	+ 5
Belgium	5,655	2,961	- 48
Finland	3,330	2,443	- 27
France	4,447	4,969	+ 12
Sweden	1,649	3,049	+ 85
Egypt	9,505	4,487	- 53
Austria	3,615	2,107	- 42
Spain	1,880	3/	-
Italy	6,821	1,496	- 78
Switzerland	3,055	943	- 69
Other	5,456	4,091	
Total	158,088	139,101	- 12

1/ Preliminary figures.

2/ East Germany, Czechoslovakia, Poland, Hungary, Bulgaria, and Soviet Union.

3/ If any, included in other.

### Burma Plans to Increase Production of Flue-cured Tobacco

The Agricultural and Rural Development Corporation of Burma announced recently a 5-year program to increase the acreage of flue-cured tobacco and attendant facilities. By 1958 they plan to increase production to 6,000 acres per year and to construct 1,000 curing stations to handle the harvested leaf.

During the growing season, 1952-53, 1,000 acres were planted to flue-cured; in 1953-54, 1,200 acres were planted. However, the Corporation has an active program and a liberal budget for its work and may be able to meet its 1958 target. It is believed that domestic production of 8,000 acres of flue-cured tobacco would satisfy Burma's requirements.

### Greek-Japanese Trade Agreement Signed

Greece and Japan signed a trade and payments agreement in Athens on March 12, 1955, to cover commodities to the value of \$2.5 million in each direction. Greece is to export tobacco, other agricultural commodities and minerals in exchange for manufactured articles.

### Cigarette Factory to be Established in Cambodia

It is reported that plans have been made to establish a cigarette factory in Phnom Penh, Cambodia. Present plans are to import processed tobacco from Vietnam until the company is well established.

### Smaller Rhodesian Flue-cured Crop in Prospect

The American Consul General at Salisbury reports that a smaller flue-cured crop is expected this year, 109.7 million pounds compared with the 120.3 million pounds sold in 1954. Heavy rains earlier in the season damaged the crop to some extent and were largely responsible for the smaller crop.

Early tobacco (planted before November) comprises about 50 percent of the crop and has grown well. Later plantings were damaged and in some cases it was necessary to replant. Although there have been some reports of attacks of diseases, these have not been widespread and the late plantings are doing well, now that the rains have abated. To date, more leaves have been saved per plant than last year as additional barns have been built and the crop is ripening more slowly.

Despite the rains, a reasonably good crop is expected. The leaf will probably have less body but good color. On the first day of auction 430 thousand pounds were sold at an average price of 50.3 U.S. cents, up about 4.6 cents from last year's average.

### Egyptian Tobacco Market in 1954

Egyptian imports of unmanufactured tobacco increased slightly in 1954 to 24.0 million pounds compared with 23.7 million in 1953. Imports from the United States increased from 5 million pounds in 1953 to 5.8 million in 1954, and this country was the largest supplier. This increase took place despite the fact that no dollars were made available at the official rate and manufacturers had to pay a 10 percent premium to obtain dollars with which to buy our leaf. United States leaf bought, consisted of about 80 percent flue-cured and 20 percent Burley, which are used to manufacture the increasingly popular Virginia and American-blended types of cigarettes.

Egypt: Imports of Unmanufactured Tobacco

Country of Origin	Average 1946-50	1952	1953	1954
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Turkey.....	10,191	7,667	6,165	5,522
United States.....	3,667	4,199	4,999	5,773
Greece.....	1,901	3,604	3,081	3,497
India.....	2,048	2,177	2,173	2,120
China.....	580	984	904	1,046
U.S.S.R. ....	272	1,080	881	1,006
South African Countries.....	5,252	4,760	4,076	3,446
Other Countries.....	3,009	1,930	1,402	1,588
Total.....	26,920	26,401	23,681	23,998

The major competition for United States leaf is furnished by flue-cured tobacco imported from China, India, and Rhodesia. Leaf from other sources is mainly for the production of Oriental cigarettes. Imports of products are relatively small due to the high tariff imposed.

Virginia and American-blended types of cigarettes are slowly taking a larger proportion of the Egyptian market. Probably these types would have increased faster if manufacturers had not found it necessary to pay a 10-percent premium for dollars necessary to purchase United States tobacco.

Egypt: Percentage Breakdown of Tobacco Manufactures

Product	1951	1952	1953	1954
	Percent	Percent	Percent	Percent
<u>Cigarette Types</u>				
Oriental.....	34.9	32.5	29.4	27.4
Virginia.....	12.0	12.2	13.7	13.0
U.S. Blended.....	25.5	26.2	28.5	29.7
<u>Other</u>				
Roll-your-own (Oriental type).....	15.6	16.2	14.8	14.8
Pipe Tobacco and small cigars.....	11.0	11.0	12.5	13.9
Chewing Tobacco.....	1.0	1.0	1.1	1.2
Total.....	100.0	100.0	100.0	100.0

U. S. Exports of Unmanufactured Tobacco to  
Egypt - Quantity and Value

Type	1953		1954	
	Quantity	Value	Quantity	Value
	1,000	1,000	1,000	1,000
	pounds	dollars	pounds	dollars
Flue-cured .....	4,225	2,605	4,918	2,968
Burley .....	1,205	749	993	648
Kentucky-Tennessee .....	134	49	75	17
Maryland .....	8	3	-	-
Total	5,572	3,406	5,986	3,633

Brazilian Bahia Cigar Leaf Up From Earlier Forecast

A substantial increase in output of Bahia cigar tobacco as compared to early season forecasts is reported from Brazil. The crop for harvest in the first half of 1955 was seriously affected by drouth and was estimated at 16.5 million pounds, but as a result of rains late in the growing season, production is now expected to reach almost 30 million pounds. This is an increase of 80 percent as compared to earlier estimates but is less than half the 1954 harvest of 64.7 million pounds.

The increase in Bahia cigar leaf raises the total Brazilian tobacco crop estimate for 1955 to 291 million pounds as compared to the earlier forecast of 277.8 million pounds. However, the latest estimate is still 5 million pounds below the 1954 crop officially placed at 296 million pounds.

The 1955 forecast for flue-cured tobacco remains at 61.7 million pounds, an increase of almost 10 percent, as compared to the 1954 crop. Burley tobacco for 1955 is forecast at almost 3.9 million pounds, 11 percent above last year's harvest, and production of other air-cured tobacco for cigarettes is expected to be more than 30 percent above last year when production reached 67.8 million pounds.

Chilean Tobacco Production Above 1954 Level

Tobacco production in Chile for harvest in the first half of 1955 is now forecast at about 14.2 million pounds, 16 percent above the final estimate of the 1954 harvest, according to a report just received from the American Embassy in Chile. The 1954 production totaled 12.2 million pounds, almost 1 million pounds less than the previous estimate for the crop. Acreage for harvest in 1955 is forecast at 7,670 acres, slightly below the area harvested in 1954. However, better yields per acre and therefore higher total production seem likely this season.

Flue-cured acreage is forecast at 7 percent below the 1954 figure but production is expected to be only slightly under the 677,000 pounds harvested last year. Burley acreage is expected to be more than  $2\frac{1}{2}$  times as large, and production more than double the 1954 harvest, when 287,000 pounds were produced.

Dark air-cured Paraguayan tobacco used mostly for cigarette production is expected to total more than 10 million pounds in 1955, almost 27 percent above last year's output. Cigar tobacco acreage for harvest in 1955 is estimated to be 36 percent lower than in 1954, while production is forecast at 2.77 million pounds, about 15 percent below the previous crop.

#### Venezuela As A Market For U. S. Tobacco

The Agricultural Attache at Caracas reports that it is doubtful that Venezuela will develop into a major outlet for U. S. leaf. Domestic flue-cured tobacco is at present in over-production and tobacco acreage had to be reduced for the 1954-55 crop year. Cigarette manufacturers seem to be inclined to supply any increase in products either from this domestic production or from stocks.

Imports of cigarettes are another story. We supply about 98 percent of the cigarettes imported by Venezuela. During 1954 the United States exported 1.5 billion cigarettes valued at about 5.5 million dollars to Venezuela. In addition there are reports that substantial quantities of U. S. cigarettes enter illegally.

#### Peru Considering Dissolution of Tobacco Monopoly

A bill has recently been introduced in the Peruvian Congress to dissolve the State Tobacco Monopoly. This Monopoly at present controls all phases of the tobacco industry from licensing planters to importation and sale of products.

Severe criticism has been directed against Monopoly buying practices of local leaf. It is claimed that very low prices paid, especially for the better grades, has had depressing and petrifying effects on the industry. Supporters of the bill claim that a free market system would develop a more flexible and dynamic industry.

One very knotty problem is the possible loss of some Government revenues. Disposition of inventories, plants and equipment, together with the possible loss of jobs, are problems that must also be solved.

#### Chile's Tobacco Imports -- 1954

Chile's imports of unmanufactured tobacco during the period January-November 1954 totaled 567,000 pounds. This compares with 694,000 pounds for the calendar year 1953. Cuba, which supplied 318,000 of cigar leaf tobacco, was the principal source of 1954 imports. The United States, which was the second-ranking supplier, furnished 226,000 pounds. Practically all of the imports from the United States consisted of Burley and flue-cured tobacco for blending with domestic leaf in the manufacture of cigarettes. Most of the tobacco required by Chilean tobacco manufacturers is produced within the country.

## Brazil's Tobacco Exports Up In 1954

Exports of leaf tobacco from Brazil during the period January-November 1954 (latest figures available) totaled 54.1 million pounds, compared with 50.3 million for the full calendar year 1953. In addition to leaf exports, about 1.2 million pounds of twist tobacco moved abroad during January-November 1954, compared with 2.3 million in 1953. The largest market for Brazilian leaf last year was Germany, which took 14.7 million pounds. Spain, the Netherlands, Denmark, and Switzerland ranked next in order of importance.

Brazil: Exports of leaf tobacco:  
1952-53, and January-November 1954

Country	: 1952	: 1953	: Jan.-Nov. 1954
	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:
Germany	: 19,288	: 11,540	: 14,694
Spain	: 12,079	: 6,602	: 10,523
Netherlands	: 6,662	: 7,137	: 5,915
Denmark	: 4,740	: 3,404	: 4,530
Switzerland	: 6,662	: 2,518	: 3,340
Uruguay	: 3,466	: 2,826	: 2,985
All Others	: 13,558	: 16,314	: 12,105
	:	:	:
Total	: 66,455	: 50,341	: 54,092

## India's 1954 Tobacco Exports

India's 1954 exports of unmanufactured tobacco, at 70.1 million pounds, were slightly larger than the 1953 total of 69.5 million. Substantial shipments of low-grade flue-cured leaf to Communist China occurred last year, in accordance with the provisions of a trade agreement. These shipments aided materially in easing the depressed marketing situation arising from large stocks of low-grade leaf accumulated from the 1953 and earlier crops. (Although a breakdown of exports by types of tobacco is not available, it is believed that roughly 60 million pounds of the 70.1 million-pound total consisted of flue-cured tobacco).

The United Kingdom, as usual, was the principal market for Indian leaf in 1954, taking 31.1 million pounds -- or 44 percent of the total. Other important outlets included Aden, Communist China, Japan, the Netherlands, Belgium, Hong Kong, and Pakistan. The average value of all tobacco exports last year was 1.4 Rupees per pound (29.5 U.S. cents), compared with 1.6 Rupees (33.9 cents) in 1953.

Tobacco producers are giving more attention to improvement of the quality of their flue-cured tobacco in order to boost exports and prevent accumulation of low-quality leaf.

India: Exports of Unmanufactured Tobacco,  
1953 and 1954

Country	1953		1954	
	Quantity	Value	Quantity	Value
	1,000	U.S. cents	1,000	U.S. cents
	pounds	per pound	pounds	per pound
United Kingdom <sup>1/</sup>	30,014	44.9	31,053	44.0
Aden	6,314	12.9	6,415	11.6
Japan	10,020	33.3	5,848	16.4
Netherlands	2,731	15.6	2,373	11.4
Belgium	2,636	16.6	2,038	10.7
Hong Kong	2,902	27.7	2,943	16.9
Pakistan	481	16.9	1,970	25.7
Indonesia	3,715	24.0	417	14.6
Ireland	1,899	37.7	1,031	42.5
Other Countries	8,809	29.3	2/16,045	20.9
Total	69,521	33.9	70,133	29.5

<sup>1/</sup> A large percentage consisted of flue-cured strips.

<sup>2/</sup> Principally Communist China.

Australian Imports of Unmanufactured Tobacco Increase in 1954

James H. Boulware, Agricultural Attache in Australia reports Australian imports of unmanufactured tobacco increased in 1954 to 38.8 million pounds from the 32.1 million imported in 1953. Imports from the United States increased from 23.1 million pounds in 1953 to 24.8 million in 1954. The relative position of U. S. leaf in total imports declined, however, from 72 percent in 1953 to 64 percent in 1954.

Australia announced on March 21 of this year a general tightening of import restrictions on non-dollar imports. This action was reported as being necessary due to the possible depletion of foreign exchange. As announced this policy will not affect dollar imports; however, dollar imports will continue under strict controls as in the past.

Venezuela Begins Manufacture of Filter Tip Cigarettes

A recent report from Venezuela states that a domestic cigarette company has started production of filter tip cigarettes at the rate of 96,000 cigarettes per hour. These cigarettes are to be sold at the same price as regular cigarettes, about 30 U.S. cents per pack.

Heavy Rains Reduce Prospects of Argentine Tobacco Crop

Robert C. Tetro, Agricultural Attache in Buenos Aires, reports that recent rains and floods in the tobacco area of Misiones-Corrientes have severely damaged the tobacco crop. Trade estimates now place the final harvest of dark air-cured tobacco at about 28.7 million pounds, a reduction of about 6.6 million pounds from previous forecasts. If the 1955 crop is cut this severely production may fall below anticipated needs.



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## TOBACCO PRODUCTION AND TRADE OF CUBA

### Summary

Preliminary estimates of the Cuban tobacco crop now being harvested indicate a production of about 91.3 million pounds as compared to 91.1 million harvested in 1954. Such an output, if realized, will equal the quota allocation originally announced in July 1954, but will exceed by almost one-half the reduced allocation of 61.9 million pounds announced in November 1954. Quality of the 1955 harvest is expected to be below that of the last three crops as a result of dry weather in the tobacco producing areas during the growing season.

In spite of reasonably high levels of leaf and cigar exports in the past two or three years, stocks of tobacco in Cuba have become increasingly burdensome. At the end of 1954 the Tobacco Stabilization Fund held more than 40.5 million pounds of leaf and at least an equivalent amount remained in the hands of growers and dealers. Purchases by the Government from the 1954 crop amounted to 24.9 million pounds. While returns to growers since the beginning of price support operations have been maintained fairly well, there are indications that prices paid for the large crop this year may be adversely affected.

Cuban leaf exports have been increasing in recent years and amounted to 42.3 million pounds in 1954. The United States is the principal market, although Spain receives large quantities of unstemmed filler. Cigar exports, mostly to Spain and the United States, totaled 41.5 million in 1954, slightly less than in the previous year.

Cuban cigar output in 1953 totaled 375 million pieces from commercial manufacturers plus an estimated 225 million hand made for local use. Cigar consumption in 1953 was placed at 555 million. Cigarette production and consumption have been increasing with an estimated 8.7 billion domestically produced cigarettes used in 1953. Consumption of cigarettes imported from the United States had shown a sharply rising trend until 1953, when use fell to 295 million as compared to 392 million in 1952. The decline is believed to have been due to economic conditions in the country.

1/ This circular is based in part on a special report prepared for the Foreign Agricultural Service by S. J. Adams, Tobacco Specialist, Commodity Stabilization Service, Caribbean Area office, and on reports from agricultural attaches.

## Production

### Trends

The 1954 Cuban tobacco harvest is now placed at almost 91.1 million pounds from about 153,800 acres. While this was slightly below the record of 93.6 million pounds harvested in 1950, it was 16.5 percent above the 1953 harvest and about one-fourth above the 1947-51 average production. This was almost 5 million pounds above the quota of 86.2 million pounds previously authorized by the Cuban Tobacco Stabilization Fund for the 1954 crop.

In July 1954, a decree by the Cuban Minister of Agriculture placed a limit of almost 91.3 million pounds on production for harvest in 1955. In November, at the request of the President of Cuba, the previously announced quota allocation was reduced by 30 percent; however, much of the tobacco had already been transplanted before the decree was published. As a result, the 1955 crop is now expected to approach the original quota allocation of 91.3 million pounds, which is slightly above the 1954 crop. Although the 1955 crop is estimated to be slightly above the 1954 crop, it is believed that a period of extremely low rainfall in the tobacco growing regions has materially altered the grade pattern from that of the 1954 crop. Indications are that the quality of the 1955 crop will be impaired and that the percentage of filler will be increased at the expense of the wrapper.

Acreage for harvest in 1955 is estimated at 154,700 acres, about 900 acres above the 1954 area and more than 18 percent above the 1947-51 average. A total of 6,965 farmers were authorized to produce tobacco for the 1955 crop as compared to 6,989 in 1954 and 6,407 in 1953.

Approximately 47 percent or 43.1 million pounds of the 1954 Cuban tobacco crop was harvested in the Vuelta Abajo District. This compares with about 38.2 million pounds or almost 49 percent of the total in 1953 and 30.7 million pounds or about 42.3 percent of the total in the 1947-51 period. About 14.6 percent of the Vuelta Abajo tobacco was estimated to be suitable for cigar wrapper in 1954, slightly less than in the previous year when more than 17 percent was wrapper quality. Almost 19 percent in 1954 and 16 percent in 1953 were considered to be binder tobacco, while about two-thirds of the total in both years was classed as filler tobacco.

Production of tobacco in the Semi-Vuelta District in 1954 was estimated at 4.6 million pounds, slightly above the 1953 harvest and 28 percent above the average of 3.6 million pounds in the 1947-51 period. About 5 percent of the total Cuban tobacco crop over the past eight years has been produced in this district. Almost all the Semi-Vuelta tobacco is classed as cigar filler, although a part of this tobacco is used for cigarettes.

In 1954, three percent of the total Cuban output was harvested in the Partido District as compared to 3.6 percent in 1953 and an average of 3.1 percent annually from 1947 to 1951. The 1954 harvest amounted to 2.7 million pounds, slightly below the 1953 output, but well above the average production in the 1947-51 period. While all the tobacco in this area is grown for cigar wrapper, the damaged leaves not suitable for wrapper are used for binder or filler.

Cuba: Acreage of tobacco by districts, average 1947-51,  
annual 1952 - 1955

District	Average : 1947-51 :	1952 :	1953 :	1954 :	1955 1/
	1,000	1,000	1,000	1,000	1,000
	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>	<u>acres</u>
Vuelta Abajo	50.4	54.4	57.0	59.3	59.0
Semi-Vuelta	8.3	8.2	10.3	10.7	11.0
Partido	3.2	3.3	3.5	3.3	3.5
Remedios	66.4	66.3	65.0	77.1	78.0
Oriente	2.3	3.3	3.5	3.4	3.2
Total	130.6	135.5	139.3	153.8	154.7

1/ Preliminary.

Source: Cuban Tobacco Commission and Reports of Agricultural Attaches.

Cuba: Production of tobacco by districts, average 1947-51,  
annual 1952 - 1955

District	Average : 1947-51 :	1952 :	1953 :	1954 :	1955 1/
	1,000	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Vuelta Abajo	30,749	35,296	38,156	43,070	42,700
Semi-Vuelta	3,606	4,180	4,400	4,610	4,600
Partido	2,287	2,593	2,800	2,724	3,300
Remedios	33,938	29,625	29,800	37,715	37,700
Oriente	2,171	2,994	3,000	2,970	3,000
Total	72,751	74,688	78,156	91,089	91,300

1/ Preliminary. Estimated from quota allocations.

Source: Cuban Tobacco Commission and Reports of Agricultural Attaches.

The 1954 harvest in the Remedios District totaled 37.7 million pounds or 41.4 percent of the total Cuban crop. Harvest in 1953 amounted to only 29.8 million pounds, while the 1947-51 output was more than 33.9 million. Almost 80 percent of the 1954 Remedios crop was estimated to be filler tobacco, with about 18 percent usable as binder and less than 2 percent wrapper quality. In 1953, less than 71 percent was filler tobacco with binder accounting for 23 percent and wrapper for 6 percent of the crop in this area.

From 3 to 4 percent of the tobacco production in Cuba in recent years has been Oriente tobacco. Production in this district has been about 3 million pounds per year since 1952 as compared with an average of 2.17 million pounds in the 1947-51 period. It is estimated that two-thirds of the 1954 Oriente crop was filler tobacco, while 20 percent was binder and 13 percent wrapper tobacco. In 1953, filler tobacco accounted for 97 percent of the total with only three percent binder tobacco and no wrapper.

It is estimated that about 11 percent of the 1954 Cuban harvest from all districts was suitable for cigar wrapper as compared to 14.3 percent in 1953. Binder tobacco was estimated to be 17.2 percent of the total in 1954 and 16.8 percent in 1953. Filler tobacco was placed at 71.7 percent of the 1944 crop and almost 69 percent of the 1953 crop. As previously mentioned, the quality of the 1955 crop is expected to be such that the percentage of filler tobacco will be higher with a corresponding decrease in the wrapper figure.

#### Areas

Tobacco was found growing in Cuba at the time that Columbus first visited the New World, and its production has continued since that time. All the tobacco grown in the country at the present time is cigar type tobacco and most of the output is used in the production of cigars in Cuba and the United States. Cuban cigar tobaccos are well-known throughout the world for their quality and aroma, and cigars made from Cuban leaf are used in most countries where cigar smoking is generally practiced.

Tobacco is grown in five fairly well-defined areas or districts in Cuba, and production is now restricted by decree to farms to which planting quota certificates have been issued. The tobacco producing districts are Vuelta Abajo, Semi-Vuelta, Partido, Remedios and Oriente.

The Vuelta Abajo District is in the western-most part of the country in the Province of Pinar del Rio and accounts for more than two-fifths of total production. Tobacco from this district is the finest grown in Cuba, and it is this area from which much of the fame of Cuban tobacco has arisen. Shade-grown wrapper and binder tobacco are produced in this area, although most of the output is used for cigar filler. The leaf is light brown in color, fine in texture and quality, normal in size, and is aromatic yet mild. Tobacco from this district is for all practical purposes, and the only tobacco produced in Cuba which can be made into a desirable cigar without blending with other tobaccos. A large proportion of the tobacco from this area is used locally in the manufacture of cigars for export.

Methods of production used in the Vuelta Abajo District are quite modern. Many farmers use irrigation and fertilization to increase yields. The tobacco is harvested by priming, with from two to four leaves removed at each priming, and the number of primings usually vary from three for the filler types to five for the shade grown wrappers. After priming, the leaves are strung on cotton twine and are hung on poles for curing. Each priming is cured separately. While most of the tobacco in Cuba is sun-cured, the shade-grown wrapper in this and the Partido District is fire-cured over charcoal fires. The length of time the leaf is fired varies from 8 to 60 hours depending on the heat of the fire, weather conditions and the grower curing the tobacco. After the fires are removed, the leaves are left hanging for about 30 days for the curing process to be completed. Sun-cured tobacco hangs on the poles to cure from 40 to 60 days, depending on the weather, after which it is removed to the grading houses.

Within the Vuelta Abajo District, the finest tobacco is produced around San Juan and San Luis in the lowlands. In these areas, dark gray sandy loam soils predominate and seem to be best suited for tobacco production.

The Semi-Vuelta District is also in the Province of Pinar del Rio, lying adjacent to and east of the Vuelta Abajo District. About five percent of the tobacco is normally grown in this area. The tobacco produced here is generally lower in quality than the Vuelta Abajo tobacco being heavy bodied, coarser in texture and stronger in aroma. All the tobacco is sun-cured and a large proportion of it is used locally in the manufacture of cigarettes with the remainder used as filler or for export. The soils of the area are heavy and tend to become cloddy when wet.

Almost all the tobacco grown in the Partido District is shade-grown and fire-cured for wrappers. The area lies southwest of the city of Havana mostly in the Province of the same name, although a small portion of it extends into the Pinar del Rio Province. The best tobacco from this area has large leaves, fine texture and mild taste, and has a greenish-sand color after curing. The quick fire-curing process to which this tobacco is subjected produces this characteristic color, which is much in demand locally as well as for a growing export market. Only the better quality leaves are suitable for wrappers, while the bottom and top leaves of the plant may be used for binders or filler tobacco. The rich, reddish soils of the area are well adapted for the production of this type of tobacco.

The Remedios District lies near the center of the island and is mostly in the Las Villas Province, although a portion of the District is in the Camaguey Province. In contrast to the areas previously discussed, all the tobacco in this District is stalk cut. After the first cutting the suckers are permitted to grow and are later harvested. This process may be repeated a number of times depending on the rainfall, and as many as five cuttings have been harvested from the same plant. The number of leaves harvested per plant at the first cutting ranges from 8 to 12. At the second cutting from four to five leaves are harvested per plant, with the leaf number and size tending to decrease with each succeeding cutting. In some years, the harvest of "capadura" or sucker-growth is prohibited by government decrees.

After cutting, the Remedios tobacco usually hangs on scaffolds in the sun for 3 to 10 days. Then it is placed in barns for curing from 30 to 120 days, after which it is left in piles for an additional 30 to 60 days before grading or sorting.

Most of the Remedios tobacco is used for cigar filler, although in good quality tobacco some binder and a very small amount of cigar wrapper leaf are obtained principally from the first cutting. The tobacco from this district is gummy, fine in texture, and aromatic. It is suitable only for blending with other cigar leaf, since it is strong and peppery in taste when smoked without blending. A large proportion of the Remedios leaf is exported and approximately 85 percent of the Cuban leaf exports to the United States come from this area.

The soils of the area are mostly reddish-brown clay mixed with gravel and have a tendency to crack and become cloddy after rains. No fertilizer is used and yields are relatively low as compared to the better districts.

The Oriente District consists of two separate areas in Oriente Province at the eastern end of the country. The tobacco grown here is considered to be the lowest quality produced in Cuba. It is coarse in texture with a strong aroma and taste. Almost all of it is classed as cigar filler, although some of it is used in the manufacture of cigarettes and chewing tobacco. The remainder is used for cheap cigars or is exported, with Spain receiving most of this tobacco that enters the export trade. As in the Remedios District, the tobacco is stalk cut and one or more cuttings of sucker-growth may be harvested. Yields per acre are usually higher than in the other districts, ranging from about 800 to 1,000 pounds annually.

#### Quotas and Stocks

In recent years the Cuban Government has attempted to stabilize the tobacco industry and aid tobacco growers by instituting a system of quota allocations and minimum prices. Acreage quotas have been announced prior to planting and minimum prices established. Through the Ministry of Agriculture a Tobacco Stabilization Fund was set up to support prices by purchasing all within-quota tobacco not sold at or above the minimum prices.

This system has been quite helpful to farmers since substantial quantities of tobacco have been purchased by the Fund. In 1952, an accumulation of 29.2 million pounds of low quality tobacco in the hands of the Stabilization Fund was destroyed by burning. Since that time, additional amounts have been acquired and some has been disposed of through trade agreements and sales, sometimes at a loss to the Government. In October 1954, the Fund was authorized to finance the purchase of 24.9 million pounds from the 1954 harvest at a cost of \$8 million. This tobacco was still in the hands of small growers mostly in the Province of Pinar del Rio.

The total quantity of leaf held by the Tobacco Stabilization Fund in the latter part of 1954 was more than 40.5 million pounds, and it was estimated that an additional 40 to 45 million pounds were held by growers and dealers throughout the country. Stocks on hand are excessive as compared to normal inventory of 50 to 60 million pounds.

The production quotas established by the Cuban Government have been raised each year since 1951 in spite of the dangerously large stocks that have been accumulating. No effective system of enforcing the marketing quotas has been devised so that in two of the three years prior to 1955 production was considerably in excess of the quota allocation. There has been a lack of a definite policy with respect to disposal of stocks held by the Tobacco Stabilization Fund. As a result of these factors, many of the dealers who normally stock large quantities of tobacco have tended to restrict their purchases to sales commitments for fear that the Government might sell its stocks at prices below the prevailing market price.

Owing to the poor outlook for maintaining a floor price policy for tobacco farmers in Cuba in the event of another large 1955 tobacco crop carry-over, and in view of a possible collapse of the industry if a liberal quota allocation is maintained, the Minister of Agriculture on November 19, 1954, by request of the President of Cuba, drastically cut by decree the quota for the tobacco crop for harvest in 1955. The allocation previously announced at 91.3 million pounds was reduced to 61.9 million pounds.

This reduction was to apply to every farmer to whom a planting quota certificate had already been issued, with the exception of those producing shade-grown wrapper mostly in the Partido area. As a measure of control, the decree provided that tobacco farmers plant their left-over land to corn, beans and other vegetable crops with the provision that price protection would not be available to those who failed to comply with the decree.

If this decree should prove to be effective, it could serve to relieve, somewhat, the considerable carry-over situation at the end of 1955, since normal disappearance is approximately 80 million pounds annually. However, the decree was not announced until after planting was well under way and reports indicate that no significant reduction actually occurred.

### Prices

Prices received by Cuban tobacco growers in recent years have been somewhat higher than they were prior to the operation of the price support program by the Government. In 1953, the average price received by growers for leaf tobacco was approximately 46 cents per pound. While the average prices received by grades were below the minimums established by the Government, they were considered to be fairly high in view of the large supply.

Average prices received in 1953 for stalk-cut filler tobacco ranged from 21.6 cents a pound (including stalk) in the Oriente District to 25.6 cents in the Remedios District. Average prices received for shade-grown wrapper ranged from \$1.27 a pound for Vuelta Abajo tobacco to \$1.98 a pound in the Remedios District.

The minimum or support prices for the 1954 harvest were lower than for the 1953 crop. The support prices for first growth filler tobacco on the stalk ranged from 18 cents a pound in the Oriente District to 25 cents in the Pinar del Rio Province and from 25 to 39.5 cents per pound for the same tobacco in leaf form. The prices for tobacco harvested from sucker growth are adjusted according to quality and condition of the tobacco in each district. This also applies to musty or damaged tobacco.

Many producers sell their crop to buyers at prices below the minimum support level because of the need for ready cash rather than hold the tobacco until it can be sold at the support price.

While no information has been obtained as to the minimum prices available in 1955 to producers who have complied with the quota allocations, it is anticipated, in view of the supply situation and large crop expected, that the level will be lower than for the previous crop and that returns to producers will also decline.

Average prices paid for leaf tobacco exported to the United States in 1954 were \$3.08 per pound for wrapper, \$0.53 for unstemmed filler, \$1.41 for stemmed filler, and \$0.66 a pound for scrap tobacco. The average price for cigars taken by the United States was \$180.95 per 1,000 cigars. These prices were slightly lower than in 1953 for all categories except scrap tobacco. Corresponding values for exports to other countries are considerably lower than to the United States, largely due to quality differences.

### Exports

Cuban tobacco for export is well handled and packed. Care and precision are exercised by the dealers and manufacturers in grading, packing and presenting the tobacco for export. As a result of the efforts of the exporters, manufacturers and the Cuban Government, the quality of Cuban tobaccos and cigars is known throughout the world. Cigar manufacturers in countries where Cuban tobacco is used take advantage of the quality reputation of the tobacco by indicating in advertisements that their products contain Cuban leaf. Since World War II, cigars from Cuba have been shipped to more than 40 countries annually.

### Unmanufactured Tobacco

Cuban exports of leaf tobacco in 1954 totaled more than 42.3 million pounds and sold for about \$34.4 million. The 1954 shipments were 17 percent above the quantity shipped in 1953 and were 44 percent above the 1947-51 average exports. The value of leaf exports was about the same as in the two preceding years, but was almost one-fourth above the average value in the 1947-51 period.

Shipments of leaf tobacco to the United States in 1954 amounted to almost 25.5 million pounds valued at \$26.9 million. U. S. purchases of Cuban tobacco have been increasing in recent years. Amounts shipped in 1953 and 1954 were more than 43 percent above the 1947-51 average figure. In 1954, the United States received 60 percent of the quantity and 78 percent of the value of the Cuban leaf tobacco exports, or about the same percentages of total quantity and value as were taken in the 1947-51 period, but below the 1953 figures when 70 percent of the weight and 83 percent of the value were received.

Cigar wrapper exports from Cuba have been steadily increasing since World War II with more than 80 percent of the total going to the United States. In 1954, wrapper exports amounted to almost 1.9 million pounds, less than five percent of the total exports of leaf tobacco.

Exports of unstemmed filler tobacco accounted for slightly less than one-half of the leaf exports in the 1947-51 period, but amounted to 62 percent in 1952 and 58 percent in 1954. Almost 24.8 million pounds of this leaf were exported in 1954 as compared to 21 million in 1953 and 14.5 million in the 1947-51 period. While the United States is by far the most important buyer of other Cuban tobaccos, in some years Spanish purchasers of unstemmed filler exceed the U.S. takings. In the 1947-51 period, Spain took 4.6 million pounds as compared to 4.4 million for the United States, while in 1952 the figures were 10.7 million and 8.3 million for the respective countries. However, in 1953, the United States purchases increased to 10.9 million pounds, while the quantity taken by Spain decreased sharply to 2.4 million. In 1954, Spain received about 8.5 million pounds of Cuban leaf believed to be almost all unstemmed filler, while the United States took slightly more than this amount. Other countries of Western Europe, including Germany, The Netherlands, Switzerland, Sweden, Denmark, Belgium and Italy, take considerable quantities of this type leaf. It is believed that in some of these countries and Spain that Cuban leaf is used in the manufacture of strong cigarettes as well as for cigars.

Shipments of stemmed filler from Cuba in 1954 amounted to 10.3 million pounds, somewhat higher than in the two previous years, but about the same as the 1947-51 average. This kind of leaf accounted for about 35 percent of the leaf exports in the 1947-51 period, but were less than one-fourth of the total in the last three years. The United States has taken more than 95 percent of the exports of stemmed filler in each of the past three years.

Scrap tobacco exports, almost all of which go to the United States, totaled 5.3 million pounds in 1953 and 1954 as compared to 3.2 million in the 1947-51 period.

Cuba: Quantity and value of unmanufactured tobacco by kind, exported to the United States and other countries, average 1947-51, annual 1952-54

Kind and Country	Average 1947-51		1952		1953		1954	
	pounds	dollars	pounds	dollars	pounds	dollars	pounds	dollars
Wrapper								
United States	1,240	4,110	1,333	4,123	1,366	4,581	1,543	4,752
Other	186	500	105	460	194	383	350	627
Total	1,426	4,610	1,438	4,583	1,560	4,964	1,893	5,379
Unstemmed Filler								
United States	4,390	3,165	8,309	7,137	10,920	9,788	8,676	4,619
Other	10,128	4,160	16,266	7,051	10,039	4,766	16,035	6,326
Total	14,518	7,325	24,575	14,188	20,959	14,554	24,761	10,945
Stemmed Filler								
United States	8,956	13,147	8,272	11,777	7,947	11,139	9,955	14,037
Other	1,285	646	338	382	405	521	395	527
Total	10,241	13,793	8,610	12,159	8,352	11,660	10,350	14,564
Scrap								
United States	3,131	1,872	4,843	3,216	5,158	3,316	5,298	3,476
Other	60	36	40	19	147	45	43	19
Total	3,191	1,908	4,883	3,235	5,305	3,361	5,341	3,495
Total Unmanufactured Tobacco								
United States	17,717	22,294	22,757	26,253	25,391	28,824	25,472	26,884
Other	11,659	5,342	16,749	7,912	10,785	5,715	16,873	7,499
Total	29,376	27,636	39,506	34,165	36,176	34,539	42,345	34,383

Source: Comercio Exterior, Cuban Tobacco Commission and reports of Agricultural Attaches.

Cuba: Exports of unstemmed filler by country of destination,  
average 1947-51, annual 1952-54

Country	Average 1947-51	1952	1953	1954 <sup>1/</sup>
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
United States	4,390	8,309	10,920	8,676
Spain	4,632	10,712	2,404	<sup>2/</sup> 8,557
Western Germany	381	460	1,416	<sup>3/</sup>
Netherlands	1,006	528	1,130	<sup>3/</sup>
Switzerland	417	527	360	<sup>3/</sup>
Sweden	411	161	574	<sup>3/</sup>
Denmark	43	497	57	<sup>3/</sup>
Belgium	123	80	203	<sup>3/</sup>
Italy	68	177	185	<sup>3/</sup>
Canary Islands	436	637	347	<sup>3/</sup>
Uruguay	597	538	1,031	<sup>3/</sup>
Chile	542	380	379	<sup>3/</sup>
Peru	323	329	176	<sup>3/</sup>
Indochina	125	623	1,032	<sup>3/</sup>
French Morocco	94	343	417	<sup>3/</sup>
Other	930	274	328	<sup>3/</sup>
Total	14,518	24,575	20,959	24,761

<sup>1/</sup> Preliminary. <sup>2/</sup> Total leaf exports to Spain. <sup>3/</sup> Not available.  
Source: Comercio Exterior, Cuban Tobacco Commission and reports of  
Agricultural Attaches.

### Manufactured Products

In 1954 almost 41.5 million cigars were exported, as compared to 44.7 million in 1953 and an average 34.4 million from 1947 to 1951. Spain and the United States are the most important markets, receiving more than two-thirds of Cuba's cigar exports in the last eight years. Spanish purchases usually exceed those of the United States, although they show more variation than shipment to the U.S. The United Kingdom and France have become increasingly important markets in recent years taking 4.1 and 2.9 million cigars, respectively, in 1954. Several other countries in Western Europe and a number of Latin American countries take relatively small shipments each year.

Cigarette exports have been declining in importance in the past few years with shipments in 1954 totaling 16.9 million pieces, one-fourth below the 22.5 million pieces exported annually in the 1947-51 period. The principal market for Cuban cigarettes is Panama, who took 56 percent of the total in 1954, but more than three-fourths of the two previous years' exports. Panama's purchases in 1954 were considerably below previous levels. Peru, Venezuela and Portugal take most of the remainder.

Exports of cut tobacco in the last few years have not been important. Shipments in 1954 were above 8,000 pounds as compared to 10,600 pounds in 1953 and 6,400 pounds in 1952. Chile, Belgium and the United States were the principal countries of destination.

Cuba: Exports of cigars and cigarettes by country of destination, average 1947-51, annual 1952-54

Country	Average 1947-51	1952	1953	1954
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
<b>Cigars</b>				
United States	10,640	14,909	13,394	13,617
Spain	16,673	11,176	20,286	14,445
United Kingdom	39	2,482	2,439	4,115
France	1,356	2,936	2,146	2,929
Switzerland	920	961	823	1,029
Belgium	150	315	237	285
Ireland	349	155	176	243
Portugal	277	238	333	184
Germany	9	386	129	111
Venezuela	329	800	919	761
Chile	307	438	487	452
Panama	272	1/	246	454
Peru	120	109	278	154
Argentina	277	1/	1/	144
Canada	171	1/	435	465
British Africa	395	336	383	733
U. of So. Africa	541	177	306	1/
Other	1,572	3,009	1,684	1,352
<b>Total</b>	<b>34,397</b>	<b>38,427</b>	<b>44,701</b>	<b>41,473</b>
<b>Cigarettes</b>				
Panama	14,712	16,996	15,015	9,517
Peru	3,983	1,542	1,484	2,246
Venezuela	760	683	679	1,779
Portugal	1,029	674	966	1,677
United States	159	177	205	298
Other	1,909	2,026	1,190	1,361
<b>Total</b>	<b>22,552</b>	<b>22,098</b>	<b>19,539</b>	<b>16,878</b>

1/ If any, included in "other."

Source: Comercio Exterior, Cuban Tobacco Commission and reports from Agricultural Attaches.

### Imports

Cigarettes are the only tobacco products imported by Cuba in significant quantities. Almost all the cigarette imports are received from the United States, and the quantities taken have been increasing since the war. Imports increased from 6.2 million packages in 1945 to 19.7 million in 1952, but dropped to 14.4 million packs in 1953.

Small quantities of chewing and pipe tobaccos are imported by Cuba from the United States. Less than 1,500 pounds were received in 1953, while in 1952 the figure was about 2,270 pounds.

Cuba: Imports of cigarettes by countries of origin, 1945-53

Calendar Year	United States	Other Countries	Total
	1,000	1,000	1,000
	<u>packs</u>	<u>packs</u>	<u>packs</u>
1945	6,299	1/	6,299
1946	10,357	1	10,358
1947	13,216	2	13,218
1948	15,045	2/ 20	15,065
1949	15,682	2	15,684
1950	13,919	1/	13,918
1951	16,656	-	16,656
1952 3/	19,710	1	19,711
1953 3/	14,380	-	14,380

1/ Less than 500.

2/ Includes 19,000 packs from the United Kingdom.

3/ Converted at 20 cigarettes per pack.

Source: Comercio Exterior Cuba and reports from Agricultural Attaches.

### Production of Manufactured Products

The number of cigars manufactured in Cuba since the last war have ranged from 350 to 400 million annually with production in 1953 totaling 375 million. In addition, it is estimated that since 1950 approximately 225 million cigars are produced by hand methods outside of commercial manufacturing establishments each year for local consumption.

The output of cigarettes in Cuba is increasing. Production in 1952 totaled almost 9 billion pieces as compared to an annual output of 7.87 billion in the 1947-51 period, an increase of 14 percent. In 1953, production dropped slightly to 8.74 billion.

Production of cut tobacco, used principally for pipe smoking, amounted to 69,000 pounds in 1953, sharply below the 1952 production of 189,000 pounds, and the average output of 163,000 pounds in the 1947-51 period.

Cuba: Production of manufactured products by kind,  
average 1947-51, annual 1952-53

Calendar Year	Cigars Million pieces	Cigarettes Million pieces	Cut Tobacco Thousand pounds
Average: 1947-51	374	7,870	163
Annual: 1952	391	8,974	189
1953	375	8,740	69

Source: Cuban Tobacco Commission, Department of  
Statistics.

#### Consumption of Manufactured Products

Cigarette consumption in Cuba has shown a rapidly rising trend in the past two decades. In the five-year period, 1936-40, a total of 4,849 million domestically produced cigarettes and 55 million imported cigarettes were consumed. By 1952, the totals had risen to 8,719 million from domestic production and 392 million from imports, an over-all increase of more than 90 percent. Consumption of imported American-type cigarettes was more than seven times as great in 1952 as in the earlier period. Consumption of domestic cigarettes in 1953 declined about 2.5 percent from the previous year, while imported cigarette sales were off one-fourth. This decrease in 1953 is attributable to a generally reduced level of business activity in the country. Data for 1954 are not yet available.

The consumption of imported cigarettes, while increasing at a much faster rate than domestic use, still amounts to less than five percent of total cigarette consumption.

Consumption of cigars in 1953 amounted to 555 million pieces, including those produced by hand for local use. This was four percent below 1952 consumption, but was well above the levels of consumption during the war and prewar years.

About 58,000 pounds of domestically produced smoking tobacco were consumed in 1953. This was sharply below previous levels with consumption ranging from an average of 132,000 pounds in the prewar years to 183,000 pounds in 1952. Small quantities of imported smoking tobaccos, ranging from 1,400 to 5,000 pounds annually, are consumed in addition to the domestic products.

Cuba: Consumption of manufactured tobacco by kind, averages 1936-40, 1941-45, 1946-50; annual 1951-53

Calendar Year	Cigarettes		Cigars		Smoking Tobacco
	Domestic	Imported	Domestic	Domestic	
	Million pieces	Million pieces	Million pieces	Thousand pounds	
Average:	:	:	:	:	:
1936-40	4,849	55	138	:	132
1941-45	6,218	95	259	:	168
1946-50	7,602	272	532	:	147
Annual:	:	:	:	:	:
1951	8,314	387	$\frac{1}{2}$ 552	:	154
1952	8,950	392	$\frac{1}{2}$ 578	:	183
1953	8,719	295	$\frac{1}{2}$ 555	:	58

$\frac{1}{2}$  Includes 225 million cigars for each year, manufactured outside of normal industry.

Source: Report of Agricultural Attache.

### Trade Agreements

The Cuban Government has endeavored to promote the sale and use of Cuban tobaccos and cigars in foreign countries through negotiations and agreements. At the present time, commercial agreements or treaties containing provisions relating to tobacco are in effect between the Cuban Government and the governments of the following countries: Spain, United Kingdom, France, West Germany, Austria, Switzerland, Chile and Argentina.

Under the terms of these agreements, the various foreign countries are committed to purchase Cuban leaf tobacco and cigars valued at more than \$5 million annually. Other terms of the agreements provide for most favored nation treatment on duties and taxes applied to imports from Cuba as well as limitations on import duties and internal taxes imposed on Cuban tobacco and cigars. In Spain and Chile tobacco manufacturers and dealers are prohibited from using Cuban names or trade marks on products not directly imported or made from Cuban tobacco. In Chile, the manufacturers are authorized to indicate on the package the proportion of Cuban leaf used in blended cigars, cigarettes and smoking tobacco. From certain of these countries, Cuba has agreed to accept specified commodities in payment for the tobacco products purchased.

The efforts of the Cuban Government on behalf of the tobacco industry have undoubtedly helped to move substantial quantities of leaf and products into various foreign markets. It is believed that this has enabled the Government in recent years to maintain prices to growers at a higher level than would have been possible otherwise. The agreements in effect will continue to act as a buffer against an oversupply situation, although at the present time it appears that the stocks on hand are likely to reflect unfavorably on prices received by growers for the 1955 marketings.



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U. S. DEPARTMENT OF AGRICULTURE

May 2, 1955

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## EXPORTS OF GREEK TOBACCO BOOMING 1/

Exports of Greek tobacco made another post-war record in 1954 at 116.2 million pounds compared to 107.9 million in 1953. This is the third highest year on record. Only in 1926 and 1927 was more tobacco sold abroad.

### Greece: Total exports of unmanufactured tobacco

Year	:	Amount
	:	<u>1,000 pounds</u>
1947	:	38,327
1948	:	40,750
1949	:	62,597
1950	:	56,630
1951	:	69,380
1952	:	91,264
1953	:	107,860
1954	:	116,180
	:	

Impetus was given to tobacco exports by devaluation of the drachma in April 1953. Prices of export tobacco have not yet reached the pre-devaluation figure of 56.2 U. S. cents per pound. In 1953 they averaged 49.0 cents and in 1954 rose to 53.5 cents.

Syria paid the highest average price, 86.2 cents per pound for about 425 thousand pounds, with the United States next at 78 cents. Other countries buying leaf valued at more than 60 cents per pound were Spain, Poland, Switzerland, Sweden and the United Kingdom. French purchases averaged 40.4 cents; Israel, Hungary, Portugal, Belgium and Holland bought lots averaging 28 cents or less. Germany, the largest buyer, paid an average of 55.3 cents per pound.

1/ This report based on FAS files and reports from Print Hudson, Agricultural Attache to Greece.

Greece: Exports of leaf tobacco, by principal countries of destination, 1954 with comparisons

Countries of Destination	1951	1952	1953	1954
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Western Germany	17,295	41,083	34,778	37,884
United States	10,881	13,607	13,276	14,420
France	15,822	12,974	9,808	11,455
Italy	5,562	1,545	3,496	8,968
Switzerland	1,140	2,180	2,224	2,862
United Kingdom	1,605	2,061	3,847	2,478
Egypt	4,363	2,943	3,993	2,829
Spain	-	-	2,359	350
Yugoslavia	-	-	5,038	-
Soviet Union	-	-	4,879	8,241
East Germany	-	-	4,125	6,448
Hungary	-	-	4,257	2,372
Poland	-	-	440	750
All Others	12,712	14,871	15,330	17,123
Total	69,380	91,264	107,860	116,180

Production of tobacco in 1954 was 138.4 million <sup>1</sup>/<sub>10</sub> pounds from 263 thousand acres, only 4 million pounds larger than the 1953 crop. Acreage in 1954 jumped from 217 thousand in 1953 to 263 thousand in 1954 as a result of favorable prices and reduced stocks, but production did not rise accordingly.

It is possible that these same conditions will lead to larger production in 1955 as export prices rose and stocks declined slightly during 1954.

Stocks on January 1, 1955 were 59.9 million pounds compared with stocks of 62.4 million on January 1, 1955. Neither of these figures includes the immediately preceding crop as it is still in the process of manipulation in January and not considered saleable. By January 1955 stocks were mainly out of the 1953 crop as most holdings of prior years were sold. One exception was about 4.4 million pounds from the 1949 crop still in the hands of merchants.

The domestic production of manufactured tobacco is primarily in the form of cigarettes. Production has increased steadily from 12.6 million pounds in 1949 to 22.5 million in 1954 with a tendency to shift to production of higher qualities.



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THE SWISS TOBACCO MARKET 1/  
U. S. DEPARTMENT OF AGRICULTURE

## Outlook for United States Leaf

1. Prospects for maintaining a substantial export of U. S. Maryland leaf to Switzerland are excellent. The trend towards Maryland-type cigarettes (containing 60-80 percent U. S. Maryland leaf) continues. In 1954, output of Maryland-type cigarettes, totaling 3.5 billion pieces, accounted for 45 percent of total cigarette production, compared with 39 percent during the period 1947-51. Swiss cigarette manufacturers prefer U. S. Maryland tobacco to similar types produced elsewhere. They are concerned, however, about obtaining sufficient quantities of high-grade U. S. Maryland leaf to meet their requirements. In some instances, they have purchased less-desirable grades at what they believe to be excessive prices. Some Italian Maryland-type tobacco is being imported (at lower prices than similar U. S. qualities), but it is used primarily in smoking mixtures.

2. Exports of U. S. flue-cured and Burley types of tobacco to Switzerland, which have been sharply higher than prewar in recent years, should be well-maintained. These types, however, are more vulnerable to foreign competition than Maryland. Comparative prices for similar tobaccos produced outside the United States will have a bearing on the level of exports from this country. Quantities of flue-cured and Burley to be purchased here will be affected by the trend in output of the American-blended and straight flue-cured cigarette. At present, demand for straight flue-cured cigarettes appears to be decreasing; while that for American-blended is increasing. The combined output of these types of cigarettes in 1954 was 1.6 billion pieces -- equal to about 20 percent of total Swiss cigarette production. Imports of Rhodesian flue-cured are increasing slowly. It is reported to be of good quality, well-packed, and favorably priced.

3. Export prospects for the several types of U. S. cigarette tobaccos in the Swiss market depend to a great extent on trends in Swiss cigarette exports. In 1954, about 35 percent of the total output was exported -- principally to Italy. Exports totaled 6.0 million pounds last year, compared with less than

1/ Based partially on observations made on a recent survey trip to Western Europe by R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, and partially on material available in the files of the Tobacco Division. The assistance rendered by members of the staff of the American Embassy at Bern, and of the Consulate at Zurich, is acknowledged.

one million in prewar, and with a 3.7 million pound average for 1947-51. It appears that Swiss cigarette exports include a high proportion of the Maryland-type, together with smaller percentages of American-blended and other types. There is an arrangement between certain Swiss tobacco manufacturers and the Italian Tobacco Monopoly under which Swiss cigarettes are exported to Italy in return for purchases of Italian leaf tobacco (principally fire-cured). As long as cigarette trade with Italy remains at a substantial level, this will affect favorably Swiss demand for U. S. cigarette leaf.

4. Demand continues to be favorable for quality U. S. dark fired leaf for use as cigar wrappers. At the same time, however, demand for lower-quality dark leaf for cigar fillers is declining. During the prewar period, dark-fired leaf, mostly Kentucky-Tennessee ranked first in U. S. export trade with Switzerland. During the past two years, however, Swiss takings of dark tobacco have fallen off appreciably. The trend is toward the use of lighter fillers, favoring increased demand for some of the Latin American cigar tobaccos. Increased imports of Italian fire-cured tobacco also have displaced some quantities of similar tobacco produced in the United States. Indications are that with favorable prices, demand for U. S. dark types may improve. Prospects appear good for stepped up purchases of Florida cigar-wrapper leaf.

#### Summary

Switzerland's tobacco industry imports about 85 percent of its requirements from abroad, with nearly 50 percent coming from the United States. The industry is composed of a relatively small number of cigarette and pipe tobacco manufacturers and a large group of cigar manufacturers. During the prewar period, these manufacturers used about 17 million pounds of leaf tobacco annually, compared with about 29 million pounds in recent years. Domestic consumption of tobacco products, although much larger than in prewar, has leveled off during the past 3 or 4 years. Increased quantities of leaf going into products (especially cigarettes) for export have tended to result in larger total usings by manufacturers.

Cigarette smoking is the most popular form of tobacco consumption in Switzerland. Well over one-half of the total volume of products consumed is accounted for by cigarettes. The present consumption level for cigarettes is about 3 times the prewar average. Consumption of pipe tobacco has declined since prewar, while the volume for cigars and cigarillos is about the same.

Imports of leaf tobacco have increased substantially from the prewar average of 15.8 million pounds to 25.6 million in 1954. Imports from most principal sources of supply are larger than prewar, with the exception of Indonesia. Imports from the United States, which averaged about 6 million pounds in 1935-39, have been stabilized in recent years at between 11 and 12 million pounds. The upward trend in cigarette manufacture -- particularly American-blended and Maryland-types -- have resulted in sharply increased takings of United States cigarette types of leaf. On the other hand, takings of our dark-fired tobaccos are lower than prewar.

## Production of Leaf Tobacco

Switzerland's tobacco production is sufficient to supply but a small percentage of its requirements. Production averaged about 2.2 million pounds during the prewar period and increased to about 4.7 million pounds during the 1947-51 period.

The expansion in domestic production had its beginning in 1936 when an excise tax preference was allowed on all domestic leaf tobacco used in cigarettes to the extent of more than 50 percent of the mixture. Since World War II, the preferential tax treatment of domestic leaf tobacco and the increased price of imported tobacco has influenced Swiss manufacturers to make greater use of domestic tobacco for the cheaper cigarettes. This also has offered further encouragement to increase domestic production of leaf tobacco. However, during the last 2 years domestic production has been below the 1952 record level production due to abnormal climatic conditions.

Production, which has averaged between 4 and 5 million pounds in recent years, is almost entirely air-cured leaf. About 35 percent of the tobacco grown is of the Mont-Calme brown variety, 35 percent of the Mont-Calme yellow variety, and 30 percent of white Burley. Smaller quantities of various other types are grown in other parts of the country but their production hasn't been successful. Experiments have also been made with flue-cured types, but the results have been less satisfactory than from Burley. With the tax preference on leaf used in cigarettes, satisfactory results have been obtained from flue-curing Burley, as well as some of the lighter native types.

The production and marketing of tobacco are carefully regulated. Growers in each of the producing areas have their own organization, and all manufacturers who use home-grown tobacco are also formed into an organization known as Sota. The latter, in conjunction with the growers' organizations, each fall determines the prices that will be paid for the next year's crop. In addition, manufacturers are required to specify the quantities of the several grades of home-grown leaf that they will purchase from the next crop. The growers' organizations then allocate acreage for the production of these quantities. Growers thus know what quantities they can sell and what prices they will receive before the crop is planted.

## Trade

Imports - Published data on imports list only clearances from bond. Import figures, therefore, more nearly reflect utilization by manufacturers than total arrivals, which would include quantities going into bond.

The United States supplies nearly 50 percent of total Swiss tobacco imports. The United States share of the market, however, has declined slightly in recent years, but still exceeds the prewar share of about 39 percent. Swiss manufacturers have been importing some flue-cured tobacco from Southern Rhodesia, Brazil, and other sources. Substitutes for U. S. flue-cured are imported from Italy and Latin-America. There is some movement of Maryland-type from Italy in competition with U. S.-grown leaf.

Table 1.- Switzerland: Imports of unmanufactured tobacco, 1935-39 and 1947-51 average, 1951 through 1954

Country	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 :	: 1952 :	: 1953 :	: 1954 :
	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :
United States	: 6,203 :	: 11,503 :	: 11,695 :	: 11,936 :	: 11,825 :	: 11,497 :
Brazil	: 2,491 :	: 4,218 :	: 4,330 :	: 4,482 :	: 4,328 :	: 4,107 :
Turkey	: 679 :	: 1,808 :	: 2,194 :	: 2,438 :	: 2,445 :	: 2,410 :
Greece	: 970 :	: 952 :	: 1,184 :	: 1,592 :	: 1,614 :	: 1,933 :
Indonesia	: 2,451 :	: 794 :	: 959 :	: 1,138 :	: 1,283 :	: 1,349 :
Italy	: 688 :	: 239 :	: 653 :	: 908 :	: 1,678 :	: 1,742 :
Other	: 2,313 :	: 3,102 :	: 2,418 :	: 2,186 :	: 2,367 :	: 2,590 :
Total	: 15,795 :	: 22,616 :	: 23,433 :	: 24,680 :	: 25,540 :	: 25,628 :

Statistics are not available as to imports by types; however, Switzerland does import various types and qualities of leaf tobacco, as domestic types only supplement those received from foreign sources. Probably 80-85 percent of the leaf tobacco imported from the United States is used in cigarette manufacture, and for pipe tobacco and 15-20 percent in cigars. Most of the Latin American tobaccos are used in cigars. Practically all of the oriental leaf imported goes into cigarettes. Indonesian tobacco is used in the manufacture of both cigars and pipe tobacco.

U. S. export figures to Switzerland give an indication of the trend in Swiss imports, by types of leaf, from this country. In 1954, the percentage breakdown of U. S. tobacco exports, by types, was as follows: Maryland, 50 percent; flue-cured, 24 percent; fire-cured, 18 percent; Burley, 6 percent; and all others, 2 percent. There has been a significant shift since prewar in the composition of our exports to Switzerland. As previously noted, Swiss cigarette consumption has trebled since prewar, and this has increased the market for U. S. cigarette types of leaf considerably. During the period 1935-39, United States exports to Switzerland of flue-cured, Burley, and Maryland, combined, made up only 44 percent of total exports to that country; in 1954, these types comprised 80 percent of the total.

Imports of tobacco products into Switzerland, principally cigarettes from the United States, amount to nearly 400,000 pounds annually. The breakdown for the calendar year 1954 was as follows, with the quantity supplied by the United States shown in parentheses: cigarettes 229,000 pounds (200,000); pipe tobacco, 58,000 pounds (27,000); cigars, 58,000 pounds (2,000).

Table 2.- U. S. exports of unmanufactured tobacco to Switzerland  
by types, 1935-39 and 1947-51 average, and annually 1951-54  
(Declared Weight)

Type	: average : : 1935-39 :	average : : 1947-51 :	1951 : : pounds :	1952 : : pounds :	1953 1/ : : pounds :	1954 1/ : : pounds :
	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :
Flue-Cured	: 257 :	: 3,990 :	: 4,620 :	: 2,909 :	: 3,108 :	: 2,789 :
Burley	: 46 :	: 536 :	: 717 :	: 338 :	: 1,078 :	: 705 :
Dark-Fired	: :	: :	: :	: :	: :	: :
Ky-Tenn.	: 2,273 :	: 2,602 :	: 1,982 :	: 2,328 :	: 1,761 :	: 1,769 :
Dark-Fired	: :	: :	: :	: :	: :	: :
Virginia	: 130 :	: 536 :	: 522 :	: 464 :	: 266 :	: 285 :
Virginia Sun-	: :	: :	: :	: :	: :	: :
Cured 2/	: - :	: - :	: - :	: - :	: 6 :	: - :
Maryland	: 1,602 :	: 4,843 :	: 4,469 :	: 4,519 :	: 5,546 :	: 5,818 :
Green River	: - :	: 9 :	: - :	: - :	: - :	: - :
One Sucker	: 9 :	: 2 :	: - :	: 12 :	: 2 :	: - :
Black Fat	: 3 :	: 6 :	: - :	: - :	: - :	: - :
Cigar Leaf	: - :	: 190 :	: 35 :	: 24 :	: 29 :	: 302 :
Perique	: 3/ :	: 5 :	: - :	: - :	: 2 :	: 2 :
Trimmings,	: :	: :	: :	: :	: :	: :
Stems and	: :	: :	: :	: :	: :	: :
Scrap	: 16 :	: 36 :	: 100 :	: 71 :	: 75 :	: 7 :
Total	: 4,336 :	: 12,755 :	: 12,445 :	: 10,689 :	: 11,902 :	: 11,677 :

1/ Preliminary. 2/ Class established January 1952. 3/ Less than 500 pounds.

Exports - Switzerland exports no leaf tobacco. There is a substantial export trade in tobacco products, however, chiefly cigarettes destined to Italy and Trieste. Exports of cigarettes in 1954 were roughly equivalent to 35 percent of the total number produced. As noted previously, Swiss manufacturers have an arrangement with the Italian Tobacco Monopoly, under which cigarettes are shipped to Italy in return for Swiss purchases of Italian leaf (principally fire-cured and Maryland types).

Table 3.- Switzerland: Exports of tobacco products,  
1935-39 and 1947-51 average, 1951 through 1954

Year	: Cigarettes : : pounds :	: Cigars : : pounds :	: Pipe : : Tobacco : : pounds :	: Cigarette : : Tobacco : : pounds :	: Chewing : : Tobacco : : & Snuff : : pounds :	: Total : : pounds :
Average:	: :	: :	: :	: :	: :	: :
1935-39	: 776 :	: 61 :	: 56 :	: 3 :	: 1 :	: 897 :
1947-51	: 3,742 :	: 74 :	: 386 :	: 335 :	: - :	: 4,537 :
1951	: 4,771 :	: 90 :	: 450 :	: - :	: - :	: 5,311 :
1952	: 4,546 :	: 105 :	: 434 :	: 113 :	: - :	: 5,198 :
1953	: 5,528 :	: 143 :	: 430 :	: 80 :	: - :	: 6,181 :
1954	: 6,038 :	: 165 :	: 369 :	: 58 :	: - :	: 6,630 :

## Leaf Utilization by Manufacturers

The total quantity of leaf used by Swiss manufacturers has increased from about 17 million pounds in prewar (1935-39 average) to about 29 million pounds -- a gain of 70 percent. The quantity of leaf used in cigarettes is currently running at about the rate of 17 million pounds, that for cigars, about 6 million pounds, and for pipe tobacco, about 6 million pounds.

## Cutout and Consumption

The output of tobacco products in Switzerland increased from an estimated 15.6 million pounds during the prewar period to about 28 million pounds in 1953 (the 1954 figures are incomplete). There has been a marked shift in the pattern of production. Cigarette output has risen from 2.1 billion pieces, to nearly 8 billion; cigars (including cigarillos) have remained relatively stable; pipe tobacco output has declined. Cigarette output continued its upward trend through 1954, primarily due to expanded exports to Italy, rather than to increased domestic demand.

Table 4.- Switzerland: Output of tobacco products, 1935-39 and 1947-51 average, 1951 through 1954

Year	Cigarettes	Cigars <sup>1/</sup>	Pipe Tobacco	Estimated Total
	million pieces	million pieces	1,000 pounds	1,000 pounds
Average:				
1935-39	2,071	479	5,810	15,645
1947-51	6,261	503	5,346	24,682
1951	7,008	473	5,417	26,070
1952	7,492	482	5,174	26,993
1953	7,743	497	5,178	27,704
1954	7,949	2/	2/	2/

<sup>1/</sup> Includes cigarillos. <sup>2/</sup> Not available.

There are five different types of cigarettes manufactured in Switzerland. These are, in order of their importance: Maryland-type, oriental, native, American blend, and straight flue-cured. Separate figures, on a historical basis, are not available for the blended and straight flue-cured types. As may be seen from the figures listed in Table 5, the Maryland-type is nearly equal to all others combined. Some U. S. leaf is used in all of them except oriental cigarettes.

Table 5.- Switzerland: Output of cigarettes by types, 1935-39 and 1947-51 average, 1951 through 1954

Year	: Native	: Maryland	: Anglo	: Oriental	: Total
	: type	: type	: American 1/		
----- million pieces -----					
Average:	:	:	:	:	:
1935-39	: 293	: 1,060	: 79	: 639	: 2,071
1947-51	: 1,197	: 2,430	: 1,461	: 1,173	: 6,261
1951	: 1,175	: 2,806	: 1,667	: 1,360	: 7,008
1952	: 1,231	: 3,062	: 1,610	: 1,589	: 7,492
1953	: 1,151	: 3,499	: 1,488	: 1,605	: 7,743
1954	: 1,040	: 3,543	: 1,554	: 1,812	: 7,949

1/ American blend and straight flue-cured.

Estimated consumption of products is shown in Table 6, on a weight basis.

Table 6.- Switzerland: Estimated consumption of tobacco products, average 1935-39 and 1947-51, 1951 through 1954 1/

Year	: Cigarettes	: Cigars	: Pipe	: Total
	: pounds	: pounds	: Tobacco 2/	: pounds
Average:	:	:	:	:
1935-39	: 3,886	: 5,241	: 5,770	: 14,897
1947-51	: 10,353	: 5,513	: 4,674	: 20,540
1951	: 10,438	: 5,173	: 5,019	: 20,630
1952	: 12,210	: 5,250	: 4,785	: 22,245
1953	: 11,805	: 5,402	: 4,720	: 21,927
1954	: 11,700	: 3/	: 3/	: 3/

1/ Official consumption data are not available. These estimates have been made from the quantities manufactured, imported and exported on the basis of estimated weights for cigars and cigarettes.

2/ Includes chewing, snuff tobacco and exports of cigarette tobacco.

3/ Not available.

### Prices, Taxes and Revenue

Retail prices for cigarettes in 1954 ranged from 0.65 - 0.85 francs (15.0 - 19.5 U. S. cents) per package of 20 for those produced from domestic leaf, to 0.95 to 2.10 francs (21.9 - 48.3 U. S. cents) for oriental and straight flue-cured types. Prices for the Maryland type and American-type blended were in the middle bracket -- 0.95 to 1.60 francs per package. About 63 percent of all cigarettes retailed at 0.95 francs (21.9 U. S. cents) per

package, and this figure would roughly represent the average price for all. Retail prices for cigarettes made largely from domestic leaf are in the lowest price bracket for several reasons: (1) lower tobacco costs; (2) absence of import duty on domestic tobacco; and (3) a preferential rate of excise. Retail prices for cigars average the equivalent of about 4 U. S. cents, and for pipe tobacco, about \$1.24 per pound.

### Taxation

The influence of Government action on the Swiss industry is exerted almost entirely through taxation. The tobacco import leaf trade is free from quotas and manufacturers are relatively free from other restrictions. However, the Swiss Government does have various kinds of compensation and clearing agreements with numerous tobacco-exporting countries for the primary purpose to facilitate clearance of payments.

Taxation is twofold, through an import duty and an excise tax, but complicated by numerous different rates. The import duty is levied at specific rates varying with the different types and with the uses that are to be made of the leaf, Table 13. Some types are placed in a more favorable position than others. The import duties on leaf used in the production of cigars were reduced materially in 1952 because the manufacture of cigars requires much more hand labor and therefore is an important factor in maintaining employment in the medium and small cigar firms. Home-grown leaf is distinctly favored through being exempt from the import duty and by having in addition a lower rate of excise tax when used in cigarettes to the extent of more than 50 percent of the mixture.

Table 7.- Switzerland: Import duties on tobacco by kinds of leaf used in each product, in Swiss francs per 100 kilograms, gross weight, 1933-1952

Kind of Leaf and Use	Year Rate Became Effective					
	1933	1936	1941	1948	1949	1952
	Francs per 100 Kilograms					
Cigarette:						
Oriental	1,000	675	675	675	675	675
Other	800	675	675	675	675	675
Pipe Tobacco	300	270	270	240	200	300 <sup>1/</sup>
Twist (rolled & chewing) & Snuff Tobacco	300	270	270	300	300	160
Cigars:						
Kentucky, Virginia Dark	160	120	110	120	96	30
Rio Grande	160	120	120	130	104	50
Domingo, Carmen & Blumenau	170	130	180	140 <sup>2/</sup>	115 <sup>2/</sup>	60 <sup>2/</sup>
Brazil	230	190	190	190	155	70
Java, Sumatra, Havana & Mexico	300	260	220	220	180	80

<sup>1/</sup> Includes tobacco used for the industrial manufacture of cigar cuttings.

<sup>2/</sup> Includes plantation waste tobacco from Brazil, Java, Sumatra and Cuba.

To obtain increased revenues, the Swiss Government enacted excise tax legislation on tobacco in 1933. On cigarettes, the excise tax is levied on a unit basis, whereas on cigars and smoking tobacco, it is levied on the total weight of raw material used. The excise tax rates on the different products are shown in Table 8. The tax rate on cigars is lower than on other products for the reason that any increase in price might result in reduced consumption and consequent unemployment, since cigars are hand-made whereas smoking tobacco and cigarettes are machine-made. The excise tax rate on cigars has increased since 1948, but has been more than offset by the reduction in import duties. The excise tax rate on cigarettes has an elaborate scale of reductions or refunds which applies on various classes of cigarettes depending upon the proportion of home-grown leaf used, the retail selling price, whether the cigarettes are hand-made, and the volume of output of the manufacturer. These adjustments are made to encourage the use of home-grown leaf in cheap cigarettes and to favor the smaller firms and those who make hand-made cigarettes.

Table 8.- Switzerland: Excise tax rates applicable to tobacco products in francs, 1933-1952

Year Rate Became Effective	Tax Rate Per Unit in Francs			
	Cigarettes	Cigars	Pipe Tobacco	Chewing and Snuff
	1,000	100	100	100
	<u>pieces</u>	<u>kilograms</u>	<u>kilograms</u>	<u>kilograms</u>
1933	5	60	60	60
1936	10	60	130	130
1937	9	40	120	120
1938	9	40	220	220
1948	11.50	80	180	180
1949	11.50	70	180	140
1952	11.50	90	180	100
	:	:	:	:

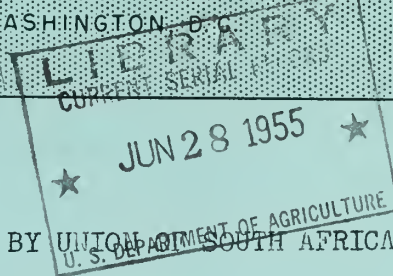
Revenue derived by the Swiss Government from leaf tobacco and tobacco products which includes import duties and revenue taxes on tobacco manufacturers, a 3 percent turnover tax on the factory wholesale price and a tax on cigarette papers used in "roll-your-own" cigarettes accounts for about 6.3 percent, in contrast to 7.2 percent prewar of the total revenue collected by the Swiss Government. This revenue is used entirely to subsidize the old-age and survivors pension scheme.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 21-55

May 11, 1955

## U. S. FLUE-CURED LEAF NEEDED BY UNION OF SOUTH AFRICA

Reports received from Meade T. Foster, Agricultural Attache, American Embassy, Pretoria, Union of South Africa, indicate that a small 1954-55 flue-cured tobacco crop in the Union, coupled with relatively small stocks on hand, will necessitate the importation of an estimated 12 million pounds of flue-cured tobacco this year. Efforts to obtain the needed supplies from Southern Rhodesia were only partially successful, and it is estimated that at least 5 million pounds of United States flue-cured tobacco will need to be imported to make up the deficiency.

Southern Rhodesia follows a system of allocating her supply of tobacco for export to the various markets, and the Rhodesian Tobacco Officials at their April meeting decided to limit flue-cured exports to the Union in 1955 to 5 million pounds, possibly because the Union of South Africa is not expected to be an important long time market. Some Rhodesian tobacco may be re-exported to the Union from the United Kingdom.

### Production

Latest estimates of the 1954-55 tobacco crop in the Union of South Africa indicate a production of almost 32.3 million pounds. Such an output, if realized, will be about 17 percent below the previous forecast for this season as well as the crop harvested in 1953-54, and will be 40 percent below the peak reached in the 1950-51 season when almost 53.4 million pounds were harvested. The decline in production, as compared to previous expectations, is due to excessive rain and flooding in the producing areas during January, February and the first half of March, which was followed by disease infestation and generally unfavorable growing conditions. The quality of the current season's crop is also expected to be below average owing to the effects of the weather and diseases.

Flue-cured tobacco production for this season is expected to be less than 13.5 million pounds as compared to almost 19.9 million in the 1953-54 season, a decline of 32 percent. All the flue-cured tobacco produced this season, as well as in the two previous seasons, has been the Orinoco variety, while prior to the 1950-51 crop all the flue-cured output was Amarello tobacco. The shift to Orinoco, made in order to produce an export type of tobacco as well as to satisfy changing consumer tastes at home, caused some decline in production from previous levels, as growers found this type somewhat more difficult to produce than the Amarello variety.

Production of light air-cured tobacco in 1954-55 is expected to amount to almost 3.5 million pounds. While this is about 12 percent above the level of the two preceding seasons, it is more than 70 percent below the quantities

produced in the 1949-50 and 1950-51 seasons. Some red Burley tobacco has been grown in recent years and production in the 1953-54 season amounted to 374,000 pounds. No indications as to the quantity of this type to be harvested in the current season are available.

The dark air-cured tobacco crop in the Union of South Africa is now estimated at 14.4 million pounds, about 10 percent below the previous forecast and 6 percent below the 1953-54 crop, but one-third below the 1952-53 output of 21.5 million pounds. Production of dark fire-cured tobacco has been initiated in recent years and an output of 84,000 pounds is expected this season as compared to 75,000 pounds in 1953-54.

Turkish tobacco production is forecast at 890,000 pounds. This is 18.7 percent above the 1953-54 crop, but is well below the level of the three previous years.

Union of South Africa: Production of leaf tobacco  
by kind, 1948-49 -- 1954-55

Year	: Flue-Cured	: Light	: Dark	: Turkish	: Total
	: 1,000	: Air-Cured	: Air-Cured	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds
	:	:	:	:	:
1948-49	: 23,256	: 10,941	: 10,687	: 669	: 45,553
1949-50	: 22,108	: 12,166	: 13,802	: 743	: 48,819
1950-51	: 22,043	: 12,012	: 17,972	: 1,360	: 53,387
1951-52	: 17,306	: 7,372	: 18,471	: 1,012	: 44,161
1952-53	: 14,513	: 2,990	: 21,551	: 1,124	: 40,178
1953-54 1/	: 19,856	: 2,825 2/	: 15,385 3/	: 750	: 38,817
1954-55 1/	: 13,473	: 3,485	: 14,408 3/	: 890	: 32,256
	:	:	:	:	:

1/ Preliminary. 2/ Includes 374,000 pounds of Burley. 3/ Includes 75,000 pounds of fire-cured in 1953-54 and 84,000 pounds in 1954-55.  
Source: Tobacco Industry Control Board.

### Stocks and Disappearance

Stocks of leaf tobacco on hand in the Union of South Africa at the end of 1954 were estimated at approximately 49.5 million pounds as compared to 63.7 million at the beginning of the year. All types were lower at the end of the year, with the greatest reduction occurring in dark air-cured leaf which dropped from 18.1 to 11.9 million pounds. Light air-cured declined from 12.6 to 8.4 million pounds. Probably the most significant decline, however, occurred in flue-cured tobacco which dropped from 31.4 million to 27.8 million pounds. This decrease, along with the unusually low flue-cured harvest expected, has caused the Tobacco Industry Control Board to look to foreign sources for flue-cured leaf in order to maintain output of products at levels necessary to meet demand.

Total disappearance of leaf tobacco in the Union in 1954 was placed at about 50.2 million pounds including use for manufacturing and for export.

About 21.2 million pounds of flue-cured tobacco were used including 19.9 million for manufacture and 1.3 million exported. Disappearance of dark air-cured amounted to 19.3 million pounds, and use of light air-cured totaled almost 8.8 million. Exports of these types amounted to less than 5 percent of total use.

#### Output of Manufactured Tobacco

A substantial increase in output of cigarettes in the Union is anticipated for 1955 as compared to the previous year, while production of other manufactured products is expected to be about the same as in 1954. Cigarette production in 1954 totaled 22.3 million pounds and is expected to be about one million pounds higher this year. Pipe tobacco production amounted to 20.1 million pounds in 1954 and may be slightly higher in 1955. Chewing tobacco production in 1954 totaled 1.1 million pounds; output of snuff was 135,000 pounds and production of cigars, cigarillos and cheroots totaled 39,000 pounds.

#### Foreign Trade

Imports of unmanufactured tobacco by the Union of South Africa amounted to 1.4 million pounds in 1954, the lowest quantity reported in recent years. Most of the tobacco received was flue-cured leaf and shipments from Southern and Northern Rhodesia accounted for more than 95 percent of the total.

Unmanufactured tobacco exports from the Union in 1954 totaled more than 2.5 million pounds. One-fifth of the total went to the United Kingdom, while almost two-fifths went to other countries of Western Europe and practically all the remainder to countries in Africa. Shipments in 1954 were below the 1953 level of 4.4 million pounds, but were higher than in most previous years.

Imports of tobacco products in 1954 consisted of 353,000 pounds of cigarettes, 107,000 pounds of cigars and cigarillos, 1,100 pounds of snuff and about 27,000 pounds of cut and smoking tobacco. Cigarette imports in 1954 were at the highest level since 1948, shipments in 1952 and 1953 having dropped to 1,000 pounds or below. Southern Rhodesia supplied 79 percent of the total in 1954 with the United States and the United Kingdom furnishing 10 and 9 percent, respectively, of the total. More than 70 percent of the cigars were shipped by the Netherlands with Cuba supplying an additional 13 percent. Most of the other manufactured tobacco imports were obtained from Southern Rhodesia.

Manufactured tobacco exports from the Union in 1954 were principally cigarettes and pipe and chewing tobacco. Cigarette exports totaled almost 429,000 pounds, while exports of pipe and smoking tobacco amounted to 724,000 pounds. More than 90 percent of all products exported went to South West Africa, which is a Protectorate of the Union.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 22-55

May 13, 1955

## THE SPANISH TOBACCO MARKET 1/

### Outlook for United States Tobacco

(1) An agreement has been signed with the Spanish Government, under Public Law 480, for the purchase of surplus agricultural commodities including 4.5 million dollars worth of United States tobacco. This should permit the sale of about 9.0 million pounds. Purchase authorizations are expected to be issued soon, but the breakdown by types of tobacco is unknown at present.

(2) The output of blended cigarettes is expected to continue its upward trend. These cigarettes contain Burley, flue-cured, a little Maryland and a little Turkish tobacco. Increased imports of United States' cigarette tobaccos, particularly of the better grades, will be required by the Monopoly. It plans to introduce shortly two new brands of blended cigarettes leaning a little more toward the exact American-blended type.

(3) Demand for United States dark-fired tobaccos, which for many years were used extensively in dark Spanish cigarettes, has diminished. It is probable that these types will continue to meet an adverse demand situation in the Spanish market due to the marked trend toward lighter, milder tobaccos in cigarettes.

(4) Spanish tobacco consumption is expected to increase moderately in the future, resulting from abolishment of rationing on January 1, 1953 and a general improvement in Spanish economy.

### Summary

Leaf requirements of the manufacturing plants in Spain averaged about 68 million pounds, mostly of the dark and cigar types during the 1931-35 period, but have increased to about 95 million pounds during recent years. In the early 1930's, about 25 percent domestic and 75 percent foreign tobacco was used. During World War II, Spain depended almost entirely on domestic production, even though the available supply did not meet the demand. The quantity of leaf used by the manufacturing plants was considerably below the pre-civil war average. Domestic consumption of tobacco was limited through rationing, which was finally abolished January 1, 1953, because of difficulties in obtaining leaf

1/ Mr. R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, recently returned from a survey trip to important consuming countries in Western Europe. This report is based in part on Mr. Owen's observations, and part on material available in F.A.S. files. The assistance of American Embassy Officials and members of the Spanish tobacco industry is acknowledged.

tobacco due to shortage of foreign exchange and the Spanish Government's inability to obtain credit. The current ratio is about 65 percent domestic and 35 percent foreign unmanufactured tobaccos used annually in Spain.

Spain's imports of unmanufactured tobacco during the period 1947 through 1953 averaged about 15 million pounds less than in the early 1930's. Increased domestic production of tobacco has brought the decline in import trade. Imports of leaf tobacco from the United States averaged about 1.1 million pounds during the immediate postwar period, compared with 11.0 million pounds during 1931-35. However, during 1951-53, imports of United States leaf increased, averaging about 3.5 million pounds. This represented about 7 percent of the total imports.

### General Background

The Spanish Tobacco Monopoly is of long standing and has passed through many stages of direct control, concession, and even temporary suspension. Its present method is a concession granted to the Tabacalera, Sociedad Anonima, which receives a stipulated percentage of the net profits for its services. Domestic production, importation, manufacture, and distribution of tobacco and tobacco products are controlled by the monopoly. All imports of tobacco and tobacco products must be made through the monopoly, which buys either directly from the suppliers or through their duly authorized agents in Spain. There are no licensed importers of tobacco in Spain. Sales on a commission basis are effected by contracts with the monopoly, approved by the Ministry of Finance.

### Production

Cultivation of tobacco was first authorized in 1889, but tobacco was not grown in large quantities in Spain until the very late 1920's. Prior to 1894, the Spanish possessions of Cuba, Philippines and Puerto Rico produced a sufficient quantity of tobacco of suitable quality for Spain's needs. Production of leaf tobacco has shown an upward trend since the early 1930's excluding the civil war years (1936-39). Leaf production increased from an average of 15.6 million pounds in the 1931-35 period to 68.6 million pounds in 1954. Currently, the Spanish Government is not aggressively encouraging further increases in domestic production of tobacco, although some effort is being made to increase the output of flue-cured.

Spain: Area, yield and production of leaf tobacco, 1931-35  
and 1947-51 averages; 1951 through 1954

Year	Area	Yield per Acre	Production
	1,000 acres	Pounds	1,000 pounds
1931-35 Av.	9.9	1,577	15,587
1947-51 Av.	26.1	1,334	34,855
1951	38.5	1,174	45,260
1952	44.5	1,407	62,595
1953	49.4	1,338	66,138
1954 <sup>1/</sup>	54.4	1,261	68,563

<sup>1/</sup> Preliminary estimate.

There are four types of tobacco produced in Spain: dark air-cured, Burley, cigar and flue-cured. Of the total production, the dark type comprises about 66 percent; Burley - 30 percent; cigar - 3 percent; and the remainder flue-cured. Spain has not been able to produce a type of leaf that can be used alone in manufacturing without blending with foreign tobaccos. Cuban, Philippine, Brazilian, Dominican Republic and United States leaf tobaccos are especially needed for blending purposes.

### Trade

Leaf tobacco imported by the Spanish Monopoly comes mainly from Cuba, Philippines, Brazil, Paraguay, Dominican Republic and the United States.

Spain: Imports of unmanufactured tobacco by country of origin, 1931-35 and 1947-51 averages; 1951 through 1954

Country	: 1931-35 : : average :	: 1947-51 : : average :	: 1951 : : pounds :	: 1952 : : pounds :	: 1953 : : pounds :	: 1954 1/ : pounds :
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :
	: pounds :	: pounds :	: pounds :	: pounds :	: pounds :	: pounds :
	:	:	:	:	:	:
United States	: 11,007 :	: 1,072 :	: 4,138 :	: 3,571 :	: 2,666 :	: 3,262 :
Cuba	: 9,027 :	: 5,183 :	: 7,240 :	: 6,812 :	: 6,221 :	: 4,172 :
Brazil	: 3,037 :	: 16,088 :	: 6,166 :	: 13,439 :	: 6,619 :	: 4,929 :
Paraguay	: - :	: 2,431 :	: 1,916 :	: 2,390 :	: 2,566 :	: 1,307 :
Philippine Islands	: 27,932 :	: 6,330 :	: 5,514 :	: 20,631 :	: 22,445 :	: 6,390 :
Dominican Republic	: 845 :	: 15,064 :	: 21,047 :	: 5,772 :	: 5,619 :	: 441 :
Indonesia	: 9,621 :	: - :	: - :	: 230 :	: - :	: 32 :
Other	: 2,058 :	: 395 :	: 502 :	: 3,103 :	: 4,000 :	: 1,867 :
	:	:	:	:	:	:
Total	: 63,527 :	: 46,563 :	: 46,883 :	: 55,948 :	: 50,136 :	: 22,400 :

1/ Figures for 10 months only (January through October).

Source: Estadística Del Comercio Exterior de España.

The leaf tobacco is shipped directly to the warehouses located in Cadiz and Santander, and from there is moved to the factories. Principal types of leaf tobacco imported are dark leaf from Cuba, Philippines and Brazil, and light American leaf. A major proportion of the dark types imported consists of the lower leaves and tip leaves of cigar types. The Spanish Monopoly imported practically no oriental tobacco prior to 1951; however, in 1952 and 1953 imports totaled about 6.5 million pounds - from Greece and Turkey.

The Philippine Islands in the early 1930's were the chief source for Spanish imports of leaf tobacco. Indonesia was also an important source. Both of these formerly important tobacco exporting areas during the immediate post-war period had small supplies for export. Dark air-cured and cigar tobaccos from Brazil and the Dominican Republic supplanted to a great extent those formerly obtained from the Philippines, United States and Indonesia; however, in 1952, imports from the Philippine Islands increased substantially, and those from the Dominican Republic declined abruptly.

The predominating U. S. types of leaf imported directly by the Monopoly are flue-cured, Kentucky-Tennessee fire-cured and Maryland.

United States exports of unmanufactured tobacco to Spain by types,  
1931-35 and 1947-51 averages; 1951 through 1954

Type	: 1931-35 : average	: 1947-51 : average	: 1951	: 1952	: 1953 1/	: 1954 1/
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Flue-cured	: 805	: 380	: 747	: 772	: 1,476	: 2,167
Burley	: 57	: 170	: 794	: -	: -	: 123
Ky.-Tenn. Fire-cured	: 9,388	: 400	: 1,998	: -	: 1,851	: -
Va. Fire-cured	: 203	: -	: -	: -	: -	: -
Maryland	: 15	: 98	: 441	: 83	: 328	: 435
One Sucker	: -	: 242	: 1,211	: -	: -	: -
Green River	: -	: 173	: 867	: -	: -	: -
Other	: -	: 22	: -	: -	: -	: -
Stems, Trimmings and Scrap	: 2	: 1	: -	: -	: -	: 529
Total	: 10,470	: 1,486	: 6,058	: 855	: 3,655	: 3,254

1/ Preliminary.

There has been an increase in exports of United States flue-cured and Maryland to Spain but exports of Kentucky-Tennessee fire-cured have been far below the 1931-35 average in recent years. This decline was due to the increased production in Spain of dark types of leaf and increased imports of dark leaf from other areas.

Spain exports no leaf tobacco.

Imported manufactured products are in great demand by Spanish consumers. Cuban cigars are preferred to all others, and American and English cigarettes are very popular. Imports of cut tobacco are primarily obtained from Cuba. Chewing tobacco and snuff are not used in Spain.

#### Output and Consumption of Products

The Spanish Monopoly has 12 manufacturing plants which are equipped with similar facilities in order to provide uniform products throughout the country. Trade sources indicate that the capacity of these plants is sufficient to meet anticipated increased consumer demand in the next few years.

The output of tobacco products has increased from an average of 59.5 million pounds in 1931-35 to 85.3 million pounds in 1953. The output of tobacco products is expected to continue its upward trend, although at a slower rate.

Output of cigarettes and cut tobacco (primarily for "roll-your-own" cigarettes) has increased at the expense of cigars. The 1952 output of cut tobacco exceeded prewar substantially. Of the total output during 1952, cigarettes comprised 35.2 percent; cigars 1.9 percent; and cut tobacco 62.9 percent in contrast to the pre-civil war years when cigarettes comprised 27.7 percent; cigars 6.8 percent; and cut tobacco 65.5 percent. Although the total output of tobacco products increased 40 percent from the pre-civil war level, supplies of

products were below the effective demand. The Monopoly has imported small quantities of American cigarettes, but supplies have been far below the demand. The shortage of exchange (as in the case of leaf tobacco) was the prime factor limiting imports of products.

Spain: Output of tobacco products, 1931-35 and 1947-51 averages; 1951 through 1953

Year	: Cigarettes	: Cigars	: Smoking and : : Cut Tobacco	: Total
	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:	:
1931-35 Av.	: 16,499	: 4,077	: 38,991	: 59,567
1947-51 Av.	: 21,705	: 1,065	: 37,271	: 60,041
1951	: 21,345	: 1,338	: 35,926	: 58,609
1952	: 25,437	: 1,338	: 45,427	: 72,202
1953	: <u>1/</u>	: <u>1/</u>	: <u>1/</u>	: 85,318
	:	:	:	:

1/ Breakdown by product not available.

Source: Anuario Estadístico de España.

Manufactured products in Spain are predominantly produced from dark-types of leaf. Trade estimates indicate that only about 2 percent of the leaf used is flue-cured tobacco. The Monopoly has been manufacturing two brands of blended cigarettes - "Bubi" and "Timonel." The "Bubi" cigarette is an "American-blended" type, but it does not compare in quality or aroma with cigarettes produced in the United States. The "Timonel" brand of cigarettes contains only 16 percent domestic leaf. The output of these two brands of cigarettes comprise about 7 percent of total cigarette production. Other brands of cigarettes contain varying proportions of domestic leaf. The most popular brand is "Diana," which contains only domestic leaf and comprises about 42 percent of the total output of cigarettes. No official statistics are available on consumption. Since imports of products are relatively small and exports insignificant, output of products closely approximates consumption.

#### Retail Prices of Tobacco Products

Retail prices of tobacco products are fixed by law for both the Spanish-made and imported products. Prices are extremely low as compared with other European countries. Official statistics are not available for average prices of tobacco products after 1936. However, retail prices of the domestic types of cigarettes in 1953 ranged from 1.35 to 2.10 pesetas (3.4 to 5.3 U. S. cents) per package of 20. Retail prices of the blended types by brands were as follows: Bubi - 7.50 (19.1 U. S. cents); Bisonte - 5.00 (12.7 U. S. cents); and Timonel - 6.50 (16.5 U.S. cents) pesetas per package of 20. Currently, Bisonte (which is a blend of domestic Burley and Maryland) is the most popular blended brand. Cut tobacco ("roll-your-own tobacco") ranges from 40.00 to 64.00 pesetas per kilogram (46.1 to 73.7 U.S. cents per pound). 1/

1/ The official rate of exchange during 1953 was one peseta equals 9.12 U. S. cents. However, the official "free" rate was one peseta equals 2.54 U. S. cents and prices have been converted to U. S. currency equivalent on the latter basis.

## Taxation

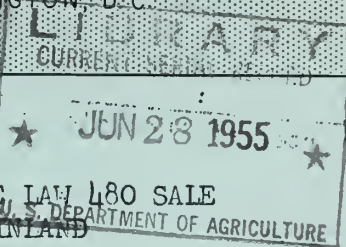
Taxes on tobacco products are lower as a percent of retail prices in Spain than in practically any other European country. Revenues from tobacco are derived from an ad valorem manufacturers' tax, a stamp tax, and a tax on cigarette paper books which, combined, are equivalent to about 54 percent of the average retail price. The tax on tobacco products, excluding the tax on cigarette paper books, amounts to about 52 percent of the retail price. Revenues from tobacco and cigarette paper books represent about 4.1 percent of the total revenue collected by the Spanish Government.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D.C.

FT 23-55



May 17, 1955

## U.S.D.A. ANNOUNCES PUBLIC LAW 480 SALE OF TOBACCO TO FINLAND

The U.S. Department of Agriculture announced on May 6, 1955 an agreement with Finland for the sale of 2.2 million dollars worth (approximately 3.7 million pounds) of tobacco under Public Law 480 for Finnish currency. Sales under this program will be made by private United States dealers and details of the purchase authorizations to be issued will be contained in future announcements from the Department.

### Imports

Finland's imports of American grown tobacco increased about 12 percent in 1954, 3.9 million pounds compared with 3.3 million in 1953. Imports of American tobacco increased both actually and relatively at a greater rate than imports from other suppliers. A major factor in this increase was the allocation of 3 million dollars in Section 550 (Mutual Security Act of 1953) funds for tobacco purchases.

### Imports 1/ of Unmanufactured Tobacco by Country of Origin

Country of Origin <u>2/</u>	1953	1954
	1,000	1,000
	<u>pounds</u>	<u>pounds</u>
United States	3,320	3,933
Greece	3,543	3,460
Turkey	2,092	2,322
U.S.S.R.	564	471
British South Africa	-	91
Other	732	842
Total	10,251	11,119

1/ Cleared from bond for manufacture - not actual arrivals.

2/ Not necessarily country of purchase.

This circular was based largely on a report by Mr. H. Gardiner Ainsworth, First Secretary of the American Embassy at Helsinki.

Average CIF Prices 1/ of Leaf Cleared in 1953 and 1954

Country of Origin	1951	1952	1953	1954
	U.S. cents per pound	U.S. cents per pound	U.S. cents per pound	U.S. cents per pound
United States	54.9	63.9	65.1	62.8
Greece	55.3	62.1	66.6	63.2
Turkey	67.6	70.3	68.0	66.9
Soviet Union	66.2	70.8	57.9	44.6
All Countries	56.2	64.9	65.4	63.6

1/ Converted at the rate of 231 marks per dollar.

Production and Consumption

Consumption of tobacco products in Finland is nearly the same as production since both exports and imports are negligible. Stocks of products in the hands of manufacturers, wholesalers and retailers are usually small -- totaling only a 10-day to 2-week supply.

Finland: Output of Tobacco Products

Year	Cigarettes	Cigars	Pipe Tobacco	Snuff	Chewing Tobacco
	million pieces	million pieces	1,000 pounds	1,000 pounds	1,000 pounds
1948-52 Av.	4,574	9.6	1,525	N.A.	N.A.
1953	5,171	11.5	1,125	133	19
1954	5,522	12.2	928	136	26

Three different types of cigarettes are produced in Finland: (1) a paper-holder type, predominantly of oriental leaf with 10 percent or less American tobacco and weighing about 1.2 pounds per 1,000; (2) a short, domestic type cigarette without a holder, containing 65-80 percent oriental and 20-35 percent American leaf, weighing about 1.8 pounds per 1,000; (3) a so-called American-type blended cigarette containing 50-80 percent American leaf, weighing about the same as our standard cigarette, 2.4 pounds per 1,000.

A major problem that affects the entire tobacco industry is the advanced age of most of the processing equipment. More than 90 percent of all machines in use on December 31, 1954 had been purchased in the pre-war period. However, an assurance has been given by the foreign trade licensing authorities that exchange will be made available for the purchase of new machines in 1955.

Some manufacturers of American blend cigarettes also have the problem of inadequate stocks of American leaf. Quotas of leaf purchased under Section

550 were allocated on the basis of excise taxes paid without regard to prior usage of American leaf. Manufacturers who use large percentages of American leaf in their blends are reported to have relatively low inventories of U.S. leaf as they have used most of their allocations in current production. Producers who use smaller percentages are reported to have more satisfactory stocks.

Both import duties and excise taxes remain unchanged in 1954, with no indication of future changes. Current estimates by the Finnish Tobacco Manufacturers Association places taxes paid to national and local governments at 70-80 percent of gross factory receipts. This tax represents about 4.5 percent of total government revenue and totaled about 46.1 million dollars in 1954 compared to 42.7 million in 1953. Nearly 97 percent of this came from the tax on cigarettes.

### Outlook

The steady increase in the number of smokers in Finland, especially among the younger generation, will probably increase demands for imported leaf. A recent market survey showed that "American Blend" cigarettes are constantly gaining in sales at the expense of the other types; therefore, tobacco manufacturers believe that over a long term period, demand for American flue-cured and Burley tobaccos will increase faster than demand for tobacco as a whole.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 24-55

## THE TOBACCO MARKET IN IRELAND

### Outlook for United States Tobacco

Prospects are good for continued substantial imports of United States leaf tobacco, particularly flue-cured. Imports from this country, however, during the next few years are not likely to be at the high level of 16.9 million pounds, the average for the years 1947-53. Stocks have been built up substantially (about 35 million pounds, or nearly  $2\frac{1}{2}$  years' supply on January 1, 1955), and in view of the ample supplies on hand, imports may be reduced somewhat. Irish tobacco manufacturers and consumers prefer United States leaf. During the postwar period about 96 percent of total imports originated in the United States.

### Summary

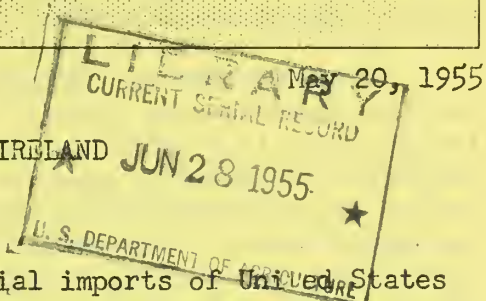
The Irish tobacco industry depends almost entirely on imported leaf. In recent years (1947-53), total imports of leaf tobacco averaged 17.5 million pounds, compared with the prewar (1935-39) average of 11.1 million. Imports from the United States have consisted principally of flue-cured for use in the manufacture of straight Virginia cigarettes and smoking tobacco. Less than 5 percent of Ireland's tobacco imports have been supplied by other countries - chiefly India, British East Africa and Southern Rhodesia.

The industry is virtually free of government controls, except for an import licensing and exchange control system, which is applicable to many imported "dollar" commodities. Restrictive measures, such as dollar allocations, preferential tariffs, and limitations on the quantity of tobacco permitted to be withdrawn from bond, were eased or abolished in 1950. Despite restrictive measures in effect during the early postwar period, revenue considerations and the desire to provide consumers with adequate supplies of tobacco products, permitted the accumulation of stocks reserves and increases in factory output of products.

Increased consumption of tobacco in postwar years is reflected in larger takings from abroad. Utilization of leaf by factories has increased about 50 percent from the prewar level. Most of this gain has occurred in output of cigarettes for both domestic consumption and export. Output rose from an average of 6.0 million pounds in 1935-39 to about 13 million pounds in 1954. Output of other products has declined substantially since prewar.

### Production

Commercial production of tobacco since World War II has been negligible, and for all practical purposes may be discounted entirely. Although the Irish Government has attempted to encourage production by means of guaranteed prices, results have been very unsatisfactory.



## Trade

Ireland's foreign trade in tobacco consists mainly of leaf imports. Exports of leaf and manufactured tobacco and imports of manufactured tobacco are relatively insignificant. Exports of cigarettes, however, are increasing, and in 1954 amounted to more than one million pounds.

Total imports of unmanufactured tobacco increased from an average of 11.1 million pounds during 1935-39 to 17.8 million pounds in 1947-51, but last year totaled only 13.8 million. The decline in imports in 1954 was the result primarily of lessened need due to the substantial stocks accumulation. The United States historically has been Ireland's chief source of supply of unmanufactured tobacco. The United States' share of the market has been decreasing very slowly and amounts to about 96 percent, compared with nearly 100 percent in prewar. Foreign tobaccos supplanting United States' types to a certain extent are being obtained from India, British East Africa and Southern Rhodesia. Preference for United States leaf is the chief limiting factor in imports of other foreign tobaccos.

No official data are available regarding imports by type of leaf. Exports from the United States to Ireland, however, give a good indication of the volume of the various types imported. Flue-cured exports from this country, which averaged 17.6 million pounds during the period 1947-51, accounted for 96 percent of our total exports to Ireland. For the period 1952-54, the same percentage was represented by flue-cured. Kentucky-Tennessee fire-cured, with exports averaging 0.6 million pounds in 1947-51, was the only other type exported on a significant basis. Exports of this type totaled 1.0 million in 1952, 0.6 million in 1953, and 0.3 million in 1954. A large proportion of our exports to Ireland during the period 1948-52 was purchased with foreign aid funds.

## Output and Consumption

The postwar output of cigarettes in Ireland has averaged more than double the quantity produced in 1935-39 (6.0 million pounds). Some of the increase has been due to larger export trade. But higher levels of domestic consumption account for most of the gain. The peak year output occurred in 1951 when about 13.1 million pounds were produced. Since that year, however, production of cigarettes has eased off slightly. This has been due to sharply increased retail prices resulting from: (1) higher tariffs on imported leaf imposed in early 1952, and (2) greater raw material and production costs.

The output of smoking tobacco in 1954 is estimated at 2.4 million pounds - down 15 percent from 1951, and 33 percent below the 1935-39 average. Production of snuff is one-half the prewar level of 200,000 pounds. Cigars remain insignificant.

## Retail Prices and Taxation

Retail prices for cigarettes and other tobacco products, largely due to higher tariff rates, have increased substantially since 1951. In 1953, average retail prices for cigarettes were 1.85 shillings (25.9 U. S. cents) per package - a 41 percent rise from the average prices paid in 1951. The rise in retail prices for other tobacco products was substantial, although not as great as in the case of cigarettes.

Import duties on leaf tobacco and tobacco products make up one of the principal sources of Irish Government revenues. There are two rates on unmanufactured tobacco, based on moisture content, and derivative rates on the various kinds of imported manufactured tobacco. In April 1952, custom duties on tobacco and tobacco products were revised upward. Rates have not been changed since that date. Present rates on unstemmed tobacco, containing 10 percent or more of moisture are 418 pence per pound (about \$4.88) compared with 286 pence (\$3.34) prior to April 1952.

Taxes represented about 64 percent of the retail prices of tobacco products during the prewar period, and about 73 percent in 1953. Revenues derived from import duties account for practically all of the tax collections from tobacco. Excise taxes amount to less than one-tenth of one percent of the total tobacco revenues. Total government collections from tobacco now amount to about 24 percent of all government revenues, compared with about 14 percent in prewar.

Table 1.- Ireland: Imports of unmanufactured tobacco by country of origin, 1935-39 and 1947-51 average, 1951 through 1954

Country of Origin	1935-39 : average	1947-51 : average	1951	1952	1953	1954
	1,000 pounds					
United States	11,032	17,192	18,080	15,693	16,557	13,157
Indonesia	1	-	-	-	1	-
United Kingdom	88	-	-	-	-	-
India	-	107	50	220	310	Break-
British East Africa	-	206	70	211	87	down
Southern Rhodesia	-	275	369	95	106	not
Cuba	1/	5	-	-	-	avail-
Syria	1/	10	10	8	7	able
Other	21	2	-	-	2/ 185	as yet
Total	11,142	17,797	18,579	16,227	17,253	13,779

1/ If any, included in other.

2/ Includes 103,000 pounds from Northern Rhodesia, 57,000 pounds from the Union of South Africa, 15,000 pounds from Canada and 9,000 pounds from Greece.

Source: Trade and Shipping Statistics of Ireland.

Table 2.- U.S. exports of unmanufactured tobacco to Ireland by types, 1935-39 and 1947-51 average, 1951 through 1954

Type	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 :	: 1952 :	: 1953 :	: 1954 :
	- - -	- - -	-	-	-	-
			1,000 pounds			
Flue-cured	: 6,081 :	: 16,925 :	: 16,852 :	: 15,272 :	: 16,877 :	: 13,701 :
Burley	: 10 :	: 5 :	: - :	: 4 :	: 4 :	: - :
Kentucky-Tennessee	: :	: :	: :	: :	: :	: :
fire-cured	: 724 :	: 635 :	: 744 :	: 1,038 :	: 564 :	: 280 :
Virginia fire-cured	: 161 :	: 27 :	: 27 :	: 16 :	: 34 :	: 56 :
Maryland	: 1/ :	: - :	: - :	: - :	: - :	: - :
Other	: 159 :	: 54 :	: - :	: 42 :	: 17 :	: 4 :
Total	: 7,135 :	: 17,646 :	: 17,623 :	: 16,372 :	: 17,496 :	: 14,041 :

1/ Less than 500 pounds.

Table 3.- Ireland: Consumption of unmanufactured tobacco in factories and output of products, 1935-39 and 1947-51 averages, 1951 through 1954

Year	: Unmanu- : factured : : tobacco : : used :	: Ciga- : rettes :	: Cigars :	: Snuff :	: Other mfg. : products :	: Total :
	- - -	- - -	-	-	-	-
			1,000 pounds			
Average:	: :	: :	: :	: :	: :	: :
1935-39	: 9,101 :	: 5,979 :	: 4 :	: 200 :	: 3,573 :	: 9,756 :
1947-51	: 13,100 :	: 10,666 :	: 10 :	: 141 :	: 3,054 :	: 13,871 :
1951	: 15,271 :	: 13,134 :	: 1/ :	: 123 :	: 2,811 :	: 16,068 :
1952	: 14,569 :	: 12,695 :	: 1/ :	: 114 :	: 2,590 :	: 15,399 :
1953	: 14,987 :	: 13,066 :	: 1/ :	: 112 :	: 2,495 :	: 15,673 :
1954 2/	: 14,695 :	: 13,089 :	: 1/ :	: 110 :	: 2,390 :	: 15,589 :

1/ Included in other manufactured products

2/ Estimated.

Source: Irish Trade Journal and Statistical Bulletin.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 25-55

May 24, 1955

## WORLD TOBACCO TRADE INCREASES IN 1954

World exports of unmanufactured tobacco during 1954 totaled 1,296 million pounds, less than 1 percent below 1953, and second highest of record in the postwar period. The 1954 total was about 24 percent above the 1935-1939 average for comparable countries. Bulgaria, Czechoslovakia, Poland, Hungary, and China are excluded, as 1954 data are not available from those countries.

### Principal Exporting Countries

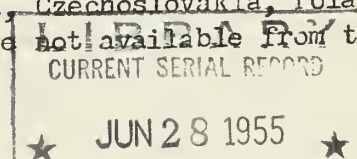
The United States continued as the world's leading tobacco exporter in 1954. Exports totaled 452.3 million pounds, 12.8 percent below 1953, and comprised about 35 percent of the world total as compared with 40 percent in 1953. Other countries, whose exports rose (ranking in descending order of percentage increase) were: Southern Rhodesia, Indonesia, Brazil, Greece, Italy, Dominican Republic, Cuba, Algeria, Canada, Yugoslavia, Philippine Republic, and Syria. The principal countries whose exports declined in 1954 as compared with 1953, included the United States, Turkey, and Northern Rhodesia.

Flue-cured leaf accounted for 373.8 million pounds or 82.6 percent of total 1954 U. S. exports, compared with 444.3 million or 85.6 percent of the total in 1953. Burley exports from the United States in 1954 totaled 29.3 million pounds or 6 percent of the total compared with 25.0 million or about 5 percent of the total in 1953. Exports of fire-cured leaf amounted to 24.9 million pounds in 1954 compared with 23.8 million in 1953.

Exports from all Latin American tobacco-producing countries combined were considerably higher in 1954 than in 1953, as increases were reported for nearly every country.

Exports from the oriental-type tobacco-producing countries of southeastern Europe and the Near East were about the same as in the previous year. Exports from Greece rose to a postwar high of 116.2 million pounds; but Turkey's exports, 139.1 million pounds, were about 12 percent below 1953. Italy's exports increased about 29 percent, and Yugoslavia's 14 percent over 1953.

Unmanufactured tobacco exports from the Asian countries as a group dropped 3 percent from 1953, and were 8 percent below prewar 1935-39. Indonesian exports were 31 percent above 1953, but still 57 percent below the prewar average. India's exports in 1954 totaled 70.1 million pounds, slightly above 1953; but 61 percent above the 1935-39 prewar average. On the other hand, exports by Japan and the Philippine Republic still were both far below the prewar average.



TOBACCO, UNMANUFACTURED: International Trade, Averages 1935-39, 1945-49, Annual 1951-54

Continent and Country	Average 1935-39		Average 1945-49		1951		1952		1953		1954	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
<b>NORTH AMERICA:</b>												
Canada	15,294	4,317	17,052	1,626	29,422	1,152	38,550	1,697	28,489	1,497	37,030	1,414
Costa Rica	-	40	72	88	-	88	-	100	-	100	-	120
El Salvador	23	495	-	2,201	-	3,402	9	3,078	17	3,375	-	4,100
Guatemala	-	68	-	333	-	740	-	757	-	713	-	700
Honduras	1,894	43	3,851	52	3,930	146	4,037	187	3,661	344	3,786	183
Mexico	215	210	497	1,857	656	507	562	3,602	547	3,322	600	6,365
Nicaragua	-	175	-	438	-	611	-	653	-	745	-	700
United States	420,797	71,274	513,579	84,156	522,089	104,652	396,453	102,698	518,665	105,453	452,284	106,447
Cuba	27,712	-	52,649	-	37,920	-	40,350	-	36,127	-	42,345	-
Dominican Republic	14,652	-	38,524	-	25,227	-	33,659	-	20,851	-	27,189	-
Total North America	479,587	76,622	606,224	90,901	629,224	111,298	513,370	112,892	608,357	115,129	538,204	120,029
<b>EUROPE:</b>												
Austria	2/	1,424	2/	13,542	-	21,138	513	21,439	1,075	22,761	1,343	16,713
Belgium and Luxembourg	5/	413	2/	33,892	5,933	54,268	540	47,423	267	47,264	5/	47,049
Bulgaria	-	-	2/	55,246	-	-	-	-	-	-	6/	-
Czechoslovakia	-	20,768	-	26,460	-	22,172	852	22,306	153	20,880	-	24,049
Denmark	490	20,206	2/	19,347	765	18,598	1,258	16,227	1,762	16,353	46	13,779
Ireland	394	12,292	2/	16,090	1,161	10,169	-	10,740	-	10,432	-	11,230
Finland	7,754	12,794	-	6,007	-	69,725	1,241	73,230	3,187	62,185	-	98,330
France	686	61,576	577	63,001	137	102,541	1,176	113,412	3,581	122,999	8/	122,563
Germany 3/	2/	204,644	2/	26,460	8/	782	91,264	107,860	107,860	-	116,180	-
Greece	97,657	3,106	32,440	-	69,381	-	-	-	-	-	-	-
Hungary	19,162	5,253	340	16,578	17,200	5,560	17,344	4,316	27,398	8,180	35,478	19,227
Italy	12,927	67,349	5,775	46,721	4,839	61,628	10,258	56,995	11,797	70,452	9,192	85,772
Netherlands	3,249	6,602	2/	8,809	-	8,351	-	8,982	-	9,208	-	9,138
Norway	-	-	-	-	-	-	-	-	-	-	-	-
Poland	149	18,404	-	10,024	5/	-	-	-	-	-	-	-
Portugal	-	6,381	-	5,995	-	10,483	-	10,694	-	10,760	-	11,072
Spain	-	30,979	-	38,746	-	46,883	-	55,948	-	53,003	-	26,879
Sweden	153	14,829	2/	15,962	-	26,572	51	19,226	13	21,508	11	19,919
Switzerland	-	15,795	-	20,424	-	24,044	-	24,721	-	25,540	-	25,628
United Kingdom	5,996	258,486	5/	335,848	239	354,878	440	223,743	-	315,770	-	312,488
United States	10,288	8,010	17,857	17,857	13,832	11,433	18,470	22,743	13,538	15,555	15,441	72
Tugolavla	-	-	-	-	-	-	-	-	-	-	-	-
Total Europe	212,403	820,103	121,898	704,206	116,841	848,443	143,407	709,412	187,641	819,849	181,321	854,074
<b>ASIA:</b>												
Lebanon	2/	2,762	2/	4,987	827	1,087	849	693	728	965	700	900
Sri Lanka	-	152	-	8,314	-	610	6,385	780	3,137	1,127	4,234	1,496
Turkey	2,086	1,200	105,371	127,673	1,007	1,955	125,282	1,949	156,083	1,762	139,101	1,382
Ceylon	30,594	56,613	2/	1,509	2/	4,937	1,182	16,967	9/	19,746	5/	20,030
China	216	10,450	5/	1,180	-	12,377	3,195	6,106	2,977	8,321	3,007	8,155
Hong Kong	43,900	4,791	55,445	109,441	21,189	25,275	82,881	5,271	69,520	16,133	70,133	3,131
India	14,700	5,458	2/	4,50	1,526	3,646	2,057	22,494	1,156	16,197	4/	14,000
Japan	101,176	2,765	2/	5,970	28,472	14,588	23,254	17,538	33,254	16,182	43,724	13,310
Indonesia	37,357	1,075	2/	7,817	13,856	4,797	26,132	32,542	26,215	22,468	24,678	22,534
Philippine Republic	13	3,405	-	1,445	-	1,697	6,177	6,177	7,018	7,018	18	5,052
Thailand (Siam)	-	88,739	-	57,494	-	77,021	276,268	110,417	295,961	99,337	287,430	89,960
Total Asia	310,558	1,145	183,304	312,285	312,285	77,021	276,268	110,417	295,961	99,337	287,430	89,960

SOUTH AMERICA:											
Argentina	180	16,878	4,042	18,322	5,853	-	763	992	-	2,694	95
Brazil	71,955	772	77,151	408	319	65,726	271	50,342	156	59,004	103
British Guiana	-	2/	-	614	545	-	591	-	6/	-	618
Chile	-	172	-	827	752	-	650	-	692	-	-
Colombia	6,472	138	6,261	350	740	9,127	4	11,081	5	13,473	-
Paraguay	7,747	202	10,676	-	105	5,886	9,513	11,023	2	10,000	-
Peru	-	212	-	561	956	-	277	-	634	112	534
Surinam	-	-	-	162	105	-	-	-	-	-	-
Uruguay	-	3,051	-	6,103	10,719	-	7,506	-	8,811	-	9,287
Total South America	86,354	21,818	98,130	27,377	20,094	80,739	10,062	73,440	10,300	85,283	10,637
AFRICA:											
Algeria	24,979	7,482	14,637	6,517	9,538	29,871	9,931	27,605	9,950	33,812	11,345
French Morocco	-	3,921	2,543	4,969	3,858	33	4,545	27,295	5,366	2,105	6,385
Belgian Congo	-	1,000	118	3,130	6,305	232	3,792	183	7,685	10/	9,770
Nyasaland	12,810	-	20,950	15	5	27,281	20,539	26,255	-	27,619	-
Egypt	-	13,014	-	26,418	27,910	-	26,401	-	24,241	-	24,492
Gold Coast	-	1,471	-	1,397	1,654	-	1,799	-	1,966	-	1,248
Madagascar	5,262	17	3,676	-	44	9,594	7,595	9,118	31	9,000	6/
Northern Rhodesia	1,429	-	4,151	-	-	10,467	9,033	10,473	5,412	5,412	-
Southern Rhodesia	19,166	327	52,811	1,292	9,213	67,433	88,361	80,712	10,240	100,000	4/
Tunisia	-	2,843	-	5,957	5,709	-	4,956	6,158	399	399	4,449
Union of South Africa	635	3,100	1,084	4,816	4,536	2,921	1,998	4,373	2,046	5,439	4,447
Total Africa	64,281	33,175	99,570	54,171	68,772	147,852	151,354	139,014	67,283	183,921	69,136
OCEANIA:											
Australia	114	21,537	79	24,391	24,728	2	32,133	-	35,520	3	38,758
New Zealand	113	3,027	-	5,738	6,524	-	6,764	-	5,140	-	7,339
Total Oceania	227	24,564	79	30,129	31,252	2	38,897	-	40,660	3	46,097
Total for comparable countries, excluding Bulgaria, Czechoslovakia, Poland, Hungary, China:											
	1,044,009	966,130	1,052,310	907,578	1,156,880	1,284,803	1,304,392	1,304,413	1,152,758	1,296,228	1,189,933
Total for all countries:	1,152,710	1,065,021	1,109,605	964,220	1,156,880	1,284,803	1,304,392	1,304,413	1,152,758	1,296,228	1,189,933

1/ Preliminary. 2/ Less than a 5-year average. 3/ Approximated from unofficial information. 4/ Estimated on the basis of data available for 6 months or more of the year. 5/ Re-exports. 6/ Not available. 7/ Includes manufactured tobacco. 8/ Western Germany only. 9/ Separate data not available. 10/ Includes Ruanda Urundi.

Source: Foreign Agricultural Service. Prepared or estimated from official statistics of foreign governments, reports of United States Foreign Service Officers and other information.

### Principal Importing Countries

Increases in imports were reported for several countries during 1954 as compared with the previous year. France, the Netherlands, Germany, and Italy showed substantial increases, while smaller increases were reported by El Salvador, Mexico, the United States, Denmark, Algeria, Australia, New Zealand, and the Belgian Congo. Moderate declines in imports were reported by Austria, Ireland, Spain, Sweden, the United Kingdom, and the Philippine Republic.

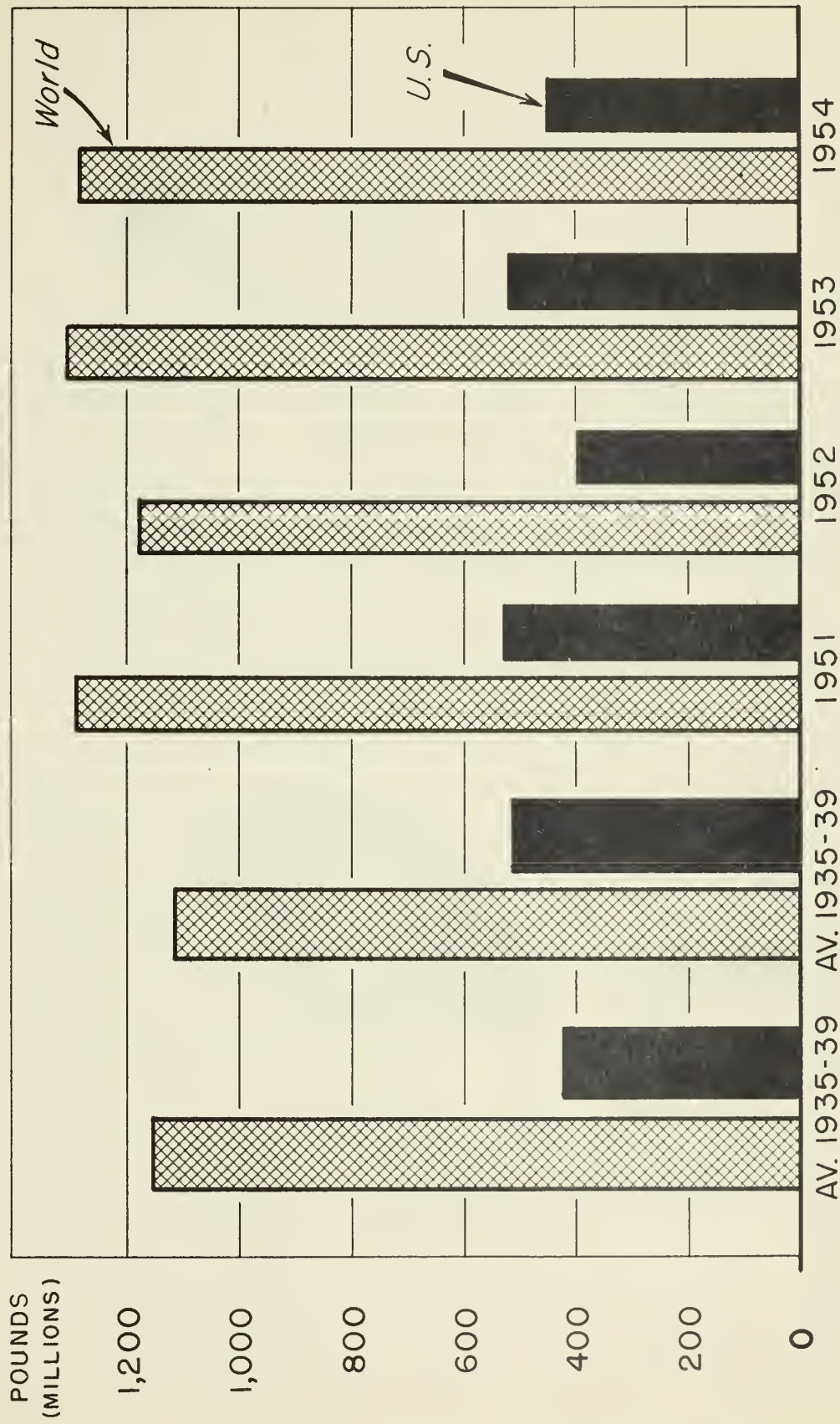
The United Kingdom continued as the world's leading importer in 1954. Its imports totaled 312.5 million pounds, or about 1 percent below 1953. About 48 percent of the total imports were obtained from the United States.

West Germany, the second most important importer in the world, imported 132.6 million pounds of tobacco in 1954, or about 7.0 percent more than in 1953, and more than in any other postwar year.

The United States, which ranked third as an importer, imported a total of 106.4 million pounds, the highest on record, and France and the Netherlands showed very large increases.

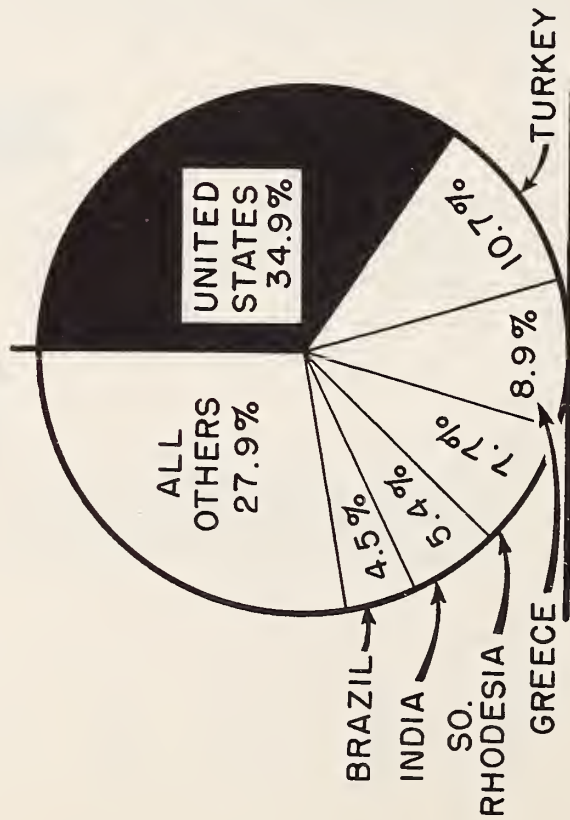
Exports for the countries listed in the accompanying table are consistently above imports for a number of reasons, including: (1) re-exports, included in the export statistics for a number of countries, have not been shown as imports in some countries, (2) a number of countries, whose trade is small and whose imports materially exceed exports, are omitted from the table, and (3) imports into the Soviet Union are not shown because data are not available.

# TOBACCO: TOTAL WORLD AND UNITED STATES EXPORTS



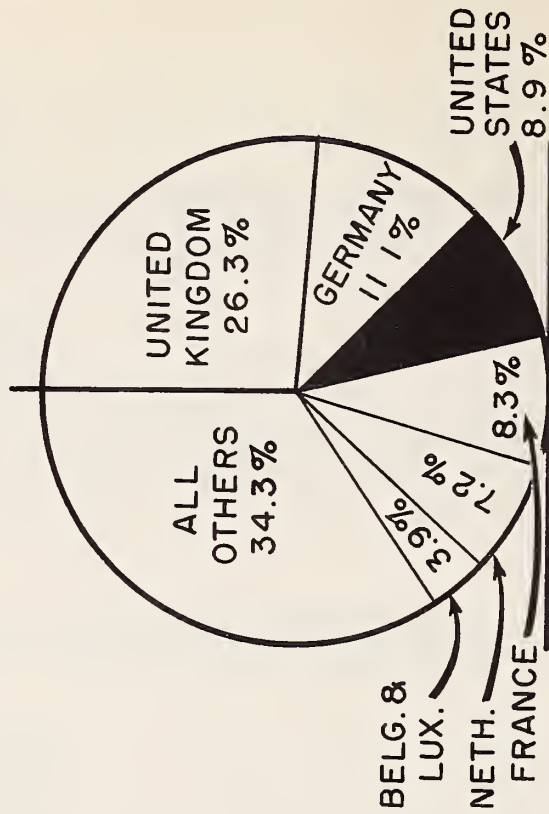
# TOBACCO: PERCENTAGE OF TOTAL EXPORTS AND IMPORTS BY SPECIFIED COUNTRIES, 1954

## EXPORTS



1,296,228,000 POUNDS

## IMPORTS



1,189,933,000 POUNDS



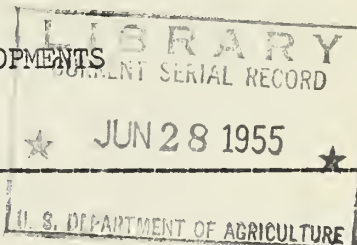
# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 26-55

May 25, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS



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### Algerian Consumption of Tobacco Products Up in 1954

Lewis Clark, American Consul General at Algiers, Algeria reports that consumption of tobacco products in Algeria increased from 13.6 million pounds in 1953 to 14.7 million in 1954. Most of the increased consumption was in the form of cigarettes while cigars, snuff and chewing tobacco showed some increase.

Imports of unmanufactured tobacco and cigarettes from the United States were very small compared to total imports in 1954. The United States supplied .5 million pounds of leaf out of a total of 11.3 million imported from all sources. Twenty-two thousand pounds of United States cigarettes were imported out of total cigarette imports of 159 thousand pounds.

There is little chance that Algerian imports of United States leaf will increase in 1955. The French Government will probably allocate a generous supply of "compensation," dollars for tobacco, but merchants have to buy them at the rate of 400 francs per \$1.00 instead of the usual rate 350 francs per \$1.00. This added cost makes dollar tobacco very expensive to manufacturers.

Algerian leaf exports in 1954 reached the highest level in the postwar period. As shown below, the major markets are in France and allied areas. Exports will probably not be this large during 1955, as efforts are being made to take areas out of tobacco production that produce a poor-quality leaf.

Exports of Leaf Tobacco			
Country of Destination :	1953	:	1954
	: 1,000	:	1,000
	: pounds	:	pounds
France	: 21,815	:	28,142
French Allied Areas	: 4,657	:	3,082
Hungary	: 1/	:	2,463
Other	: 1,133	:	125
Total	: 27,605	:	33,812
	:	:	:

1/ Included in other, if any.

In addition to the export of unmanufactured tobacco, Algeria has a large export trade with the French Union in tobacco products, especially cigarettes. During 1954, 12.9 million pounds of cigarettes were exported, nearly 46 percent of estimated production. French West Africa, the largest market, took 7 million pounds or roughly 320 million cigarettes out of this total with other members of the French Union taking smaller amounts.

#### Chinese-Polish Trade Agreement

On March 22, 1955, a trade and payments agreement was signed between Communist China and Poland facilitating the exchange of Chinese tobacco for Polish industrial goods. Poland will supply factory installations, machines, transport equipment and other products useful in the industrialization of China. The Chinese will ship tobacco and other raw materials in payment.

#### Flue-Cured Production in Tanganyika Down Slightly for 1955

William B. Edmonson, American Vice Consul at Dar es Salaam, Tanganyika, reports that the 1955 crop of flue-cured tobacco is estimated at 3.1 million pounds compared to 3.2 million produced in 1954. This reduction is expected primarily because the producers' cooperative in the Southern Highlands had .25 million pounds of unsold tobacco in stock early in 1955. A delivery quota system has been introduced by which it is hoped to prevent overproduction in 1955.

#### Australian Tobacco Acreage Up in 1954-55 Crop Year

The 1954-55 Australian crop of flue-cured tobacco, now being sold, is estimated at 6.7 million pounds from 9,000 acres. About 750 more acres were planted than in the 1953-54 crop year, but production was well below the 1953-54 yield of 7.9 million pounds.

Prices for domestic leaf being sold this year reached a record high of \$2.08 U.S. per pound for a few bales sold at the Queensland auction in March. The March average for about 380 thousand pounds were \$1.65 U.S. per pound.

Two conditions have combined to boost these prices. A new cigarette company has entered the market and is providing new competition for the established manufacturers. Also, the recently announced restrictions placed on imports from non-dollar areas (dollar imports remain unchanged) are expected by the trade to lower imports of processed tobacco and products to some extent. This may increase the demand for locally produced products. Imports of cut tobacco, cigarettes, and other products totaled 3.7 million pounds last year.

The better price paid for Australian tobacco may lead to a substantial rise in leaf production. Although acreage last year was the largest since the war, production was actually lower than in the previous year because of an unfavorable growing season. Considering the good prices paid for this crop, it is doubtful if acreage will be reduced, and it may be increased with a resulting increase in production.

#### Utilization of Leaf Continues Upward in Taiwan

Factory consumption of unmanufactured tobacco has increased from 13.9 to 24.3 million pounds from 1950 through 1954. To meet this increased demand, domestic production, which is comprised principally of flue-cured, has increased from 13.8 to 21.5 million pounds.

The Monopoly Bureau expects to purchase about 23.8 million pounds of the domestic crop during 1955. Also, the Monopoly has increased prices to be paid to producers for 1955 tobacco crop from 4.4 to 7.8 U. S. cents per pound, depending upon grade to stimulate further domestic production. The Taiwan tobacco is considered to be poorer in texture and lacks aroma compared with United States flue-cured. The Monopoly Bureau has to import every year a certain amount of United States bright tobaccos for blending in higher quality cigarettes. Such imported tobacco is required to produce the better quality cigarettes demanded by a part of the consuming public. A small but growing export market for the better types of cigarettes is tending to increase the requirements of imported leaf.

The amount of United States leaf tobacco used by the Bureau has been increasing as indicated by actual factory consumption and imports of United States leaf. Imports of United States leaf have increased from .6 to 1.5 million pounds from 1951 through 1954. The United States has supplied all of the Monopoly's imported leaf requirements during the past 2 years. Imports of United States leaf during 1954 were about 20 percent larger than in 1953. Usings of United States leaf during 1954 increased about 22 percent over 1953, but only represented about 6 percent of the total tobacco used by the Monopoly. The need for United States leaf tobacco is increasing, but imports are limited by the shortage of foreign exchange.

### Tobacco Included in Belgium-Luxembourg Two-Year Trade Agreement With Argentina

Tobacco is one of the items which the Belgian-Luxembourg Economic Union will purchase from Argentina under 2-year commercial and financial agreement signed on February 1, 1955. The agreement will be renewed annually by a tacit agreement after the two years have expired, unless denounced by either party. It applies to payments between Argentina and the whole Belgian monetary area, which includes the Belgian Congo and Ruanda Urundi.

Trade will comprise a number of consumer goods from Argentina in exchange for Belgian industrial materials and equipment.

Trade is to be carried in terms of U. S. dollars, and the settlement of balances between the countries is to be made with U. S. dollar exchange. For these purposes, an account in terms of "BLEU Dollars" is to be opened by the National Bank of Belgium in the name of the Argentine Central Bank. Whenever the balance of this account exceeds BLEU \$14 million, the debtor country, at the request of the creditor country, will pay the excess in multiples of \$100,000 by cable transfer on New York.

The adoption of the U. S. dollar as a unit of account and for making payments follows the recent trend in trade and payments Argentina has with other countries. This procedure has simplified accounting, particularly under Argentina's multiple rate exchange control system, and also provides for a settlement of balances in the most universally acceptable currency.

### India: Sales Tax on Raw Tobacco and Low-Priced Tobacco Products

The Madras Legislative Assembly passed a Bill on April 2, 1955, to amend the Madras Tobacco (Taxation of Sales and Registration) Act of 1953. The new Bill provides for the levy of a sales tax on raw tobacco and all low-priced tobacco products (includes bidis) which were exempted from tax in the original Act. These exempted items were consumed mostly by the lower income classes. The Bill was passed as one of the taxation measures to augment the State's revenue following a deficit in its 1955-56 budget. The increase in prices, which will result from the tax, may well result in a decline in consumption.

### Nyasaland Expects Smaller Tobacco Crop

Unfavorable weather conditions, diseases, and insect pests have combined to reduce the yield and quality of this season's tobacco crop in Nyasaland. Latest estimates for the 1955 tobacco harvest place the crop at 26.4 million pounds, 15 percent below an earlier estimate for the crop and 20 percent below the 1954 harvest of almost 33.2 million pounds. Most of the decrease is expected in fire-cured production, which is now estimated at 17.5 million pounds--more than 6 million pounds below the 1954 harvest of 23.6 million.

Flue-cured production now estimated at almost 3.7 million pounds is slightly above earlier forecasts, but 15 percent below the 1954 output of 4.3 million. Production of Burley tobacco is expected to total 1.8 million pounds, a decline of 6 percent as compared with the previous year, while output of dark sun-cured leaf is placed at almost 3.5 million pounds, an increase of 5 percent as compared to the 1954 harvest.

Weather conditions during the growing season, characterized by low clouds and continuous rain, caused a lack of growth and adversely affected yields as well as leaf quality in most producing areas. These conditions also favored development of various diseases and insect pests, which further reduced the crop. While earlier planted tobacco was less affected than later plantings, much of the tobacco is thin and light weight, with a high proportion of short leaf. Although recent dry weather has improved conditions in some areas, it came too late to help much of the crop, which had already been harvested.

Weather conditions during the harvest and curing of the Burley and dark sun-cured crop have hampered curing and reduced leaf quality. The smaller harvest of fire-cured tobacco on Trust Lands should help to improve the quality of the cured leaf, as adequate barn accommodations should be available for the first time to handle and cure the crop properly.

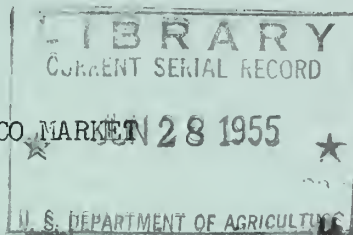




# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 27-55



June 3, 1955

## THE BELGIAN TOBACCO MARKET

### Outlook for United States Tobacco

1. Belgium is usually the fifth most important market for United States tobacco. It imported 20 million pounds of United States tobacco of all types in 1954. In May 1954 it liberalized tobacco and the market is now free of restrictions on imports. Exchange is available for tobacco purchases in the United States and elsewhere.
2. The price factor is of paramount importance in the Belgian market. Competition is keen. Manufacturers' profit margins are reported to be lower than in most countries, and they must take into account the price-quality relationships of United States leaf with those for other foreign growths. Substitutes for United States leaf find a ready market if prices for similar qualities are below those prevailing here. (Average export prices for United States flue-cured shipped to Belgium in 1953 and 1954 were 40 cents per pound, compared with average 68 cents for all flue-cured exports from this country.)
3. The level of imports of United States tobacco is closely tied in with trends in cigarette consumption. Most Belgian cigarettes are of the American-blended type, containing substantial percentages of American leaf. Cigarette consumption in 1954 was somewhat higher than in the two previous years, but was still below the record 1951 level.
4. The Belgian Government is encouraging experiments to improve the quality of domestic tobacco and to produce flue-cured leaf in the Belgian Congo. These experiments are in the early stages, and results are reported to be promising. It will be several years before the impact of these experiments on U. S. exports can be assessed.
5. To date, the Belgian Government has shown no interest in purchasing United States tobacco under the provisions of Public Law 480 - the law permitting the sale, under certain conditions, of surplus agricultural commodities for foreign currencies.

### Summary

Belgium's tobacco industry has become more and more dependent on imported leaf. Imports increased from 39.9 million pounds during the 1935-39 period, to 54.1 million pounds in 1951, but declined during the past three years. During the prewar period about 25 percent domestic and 75 percent foreign tobacco was used. With the exception of the period during World War II, when Belgium relied upon its own resources, the proportion of domestic tobacco used has declined.

The postwar ratio has been 15 percent domestic tobacco to about 85 percent foreign. About 60 percent of the leaf tobacco imports during 1947-51 originated in the United States compared with 32 percent prior to World War II. However, during the years 1952-54, the United States' share in the Belgian market declined to an average of about 44 percent of the total.

The decline in imports from the United States in recent years is attributed to the necessity for seeking lower-priced tobaccos elsewhere. The manufacturers' profit margins on tobacco products in Belgium is quite low, and costs of raw materials have risen, while retail prices of cigarettes and smoking tobacco have been steady. Consequently, during the past few years, substantial increases in Belgium's takings of substitute lighter tobaccos - mainly from India, Southern Rhodesia, Union of South Africa and Canada have occurred. The composition of imports from Italy has changed since prewar. In the past few years, Belgian imports from that country have been largely light cigarette tobaccos, and not dark tobacco, as in prewar.

Consumption of tobacco products is about equal to the prewar level. There is a marked increase in cigarette consumption, compared with prewar. Consumption of other tobacco products is below the prewar level.

### Production

Belgian tobacco is mostly dark air-cured but there is a small amount of flue-cured being produced. Both tobacco acreage and yield per acre have declined from the prewar period. Production of tobacco temporarily increased during World War II but has declined sharply since, primarily as a result of decreased demand for the domestic leaf in the production of smoking tobacco.

Belgium: Acreage, yield and production of leaf tobacco; averages 1935-39 and 1947-51; annual 1951 through 1954

Year	Acres	Yield Per Acre	Production
		1,000	1,000
	<u>1,000</u>	<u>pounds</u>	<u>pounds</u>
1935-39 Av.	6.0	2.5	16,431
1947-51 Av.	4.7	2.1	9,663
1951	5.3	2.2	11,582
1952	4.9	2.2	1/ 10,540
1953	4.9	1.8	1/ 9,041
1954	4.3	2.1	1/ 9,012

1/ Does not include tobacco grown on farms less than 2.471 acres. It is estimated that this production amounted to about 1,340,400 pounds in 1952, 1,289,700 pounds in 1953, and 1,433,000 pounds in 1954.

Source: FEDETAB

Tobacco growers advocate an increase in the import duty sufficient to enable their tobacco to compete successfully with imported leaf. However, under the Belgium-Luxembourg-Netherlands tariffs agreement, the Netherlands has to be consulted with regard to import duties. There is only a very limited production of tobacco in the Netherlands and the Government of that country does not favor an increase in duty. This, together with the pressure from Belgian manufacturers for continued low duties on imported leaf, is expected to prevent an increase.

## Trade

Belgium's tobacco industry maintains an active import trade in unmanufactured leaf tobacco. Exports of leaf tobacco are insignificant.

In Belgium, more than in most countries, changes in the pattern of leaf tobacco usings are made in response to prices of leaf tobacco, and there is considerable shifting from year to year in the volume of leaf purchases from the different countries.

Belgium: Imports of unmanufactured tobacco by country of origin; averages 1935-39 and 1947-51; annual 1951 through 1954

Country of Origin	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 : : Pounds :	: 1952 : : Pounds :	: 1953 : : Pounds :	: 1954 : : Pounds :
	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :
United States	: 13,172 :	: 28,053 :	: 32,275 :	: 21,014 :	: 21,160 :	: 20,313 :
Indonesia	: 5,365 :	: 521 :	: 1,450 :	: 3,115 :	: 2,734 :	: 2,901 :
Netherlands <u>1/</u>	: 7,058 :	: 504 :	: 893 :	: 798 :	: 1,021 :	: 869 :
Brazil	: 1,776 :	: 3,198 :	: 4,037 :	: 4,735 :	: 4,268 :	: 3,677 :
Turkey	: 851 :	: 2,573 :	: 4,306 :	: 4,015 :	: 4,123 :	: 4,264 :
Dominican Republic	: 515 :	: 3,249 :	: 3,644 :	: 3,781 :	: 3,578 :	: 3,563 :
Italy	: 1,337 :	: 30 :	: 75 :	: 2/ :	: 386 :	: 741 :
Southern Rhodesia	: 4 :	: 151 :	: 75 :	: 703 :	: 966 :	: 1,144 :
India	: 33 :	: 1,768 :	: 2,088 :	: 2,489 :	: 2,255 :	: 2,705 :
Union of South Africa	: 187 :	: 48 :	: 63 :	: 273 :	: 385 :	: 364 :
Argentina	: 410 :	: 955 :	: 145 :	: 112 :	: 172 :	: 84 :
Cuba	: 272 :	: 149 :	: 223 :	: 214 :	: 192 :	: 190 :
Paraguay	: 1,157 :	: 1,510 :	: 1,830 :	: 1,684 :	: 2/ :	: 1,847 :
Philippine Islands	: 398 :	: 304 :	: 384 :	: 520 :	: 1,107 :	: 1,122 :
Bulgaria	: 281 :	: 650 :	: 1,924 :	: 622 :	: 637 :	: 57 :
Greece	: 1,199 :	: 159 :	: 95 :	: 324 :	: 331 :	: 655 :
Hungary	: 1,690 :	: 26 :	: 110 :	: 320 :	: 379 :	: 95 :
Canada	: 8 :	: 124 :	: 472 :	: 514 :	: 399 :	: 243 :
Others	: 4,186 :	: 967 :	: 179 :	: 2,214 :	: 3,171 :	: 2,214 :
Total	: 39,899 :	: 44,939 :	: 54,268 :	: 47,447 :	: 47,264 :	: 47,048 :

1/ Re-exports. 2/ If any, included in others.

Sources: Bulletin Mensuel Du Commerce, FEDETAB and Consular reports.

The United States was the first-ranking source of supply in prewar. Re-exports from the Netherlands were the second most-important source of tobacco. However, during the postwar period, Brazil, Turkey, and the Dominican Republic supplied roughly 8-10 percent each in contrast to less than 2 percent from the Netherlands. In addition to direct purchases made from Indonesia and from Netherlands dealers, considerable quantities of tobacco are bought on the Netherlands bonded warehouse markets. The breakdown of imports by types and country of origin is not available.

Combined imports from Southern Rhodesia, Canada, Union of South Africa and India believed to be mostly flue-cured, averaged 4,230,000 pounds during 1953-54, compared with the prewar (1935-39) average of only 232,000 pounds.

United States types of leaf exported to Belgium consist primarily of flue-cured. There has been a substantial increase in exports of flue-cured and Burley since the prewar period. Exports of flue-cured and Burley comprised more than 80 percent of the total shipments to Belgium during 1953-54. In prewar years, flue-cured and Burley made up only 45 percent of our total leaf movement to Belgium, indicating the increased need for light cigarette tobaccos.

United States: Exports of unmanufactured tobacco to Belgium by types; averages 1935-39 and 1947-51; annual 1951 through 1954 1/

Type	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 : : Pounds :	: 1952 : : Pounds :	: 1953 <u>2/</u> : : Pounds :	: 1954 <u>2/</u> : : Pounds :
	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :	: 1,000 : : Pounds :
Flue-cured	: 3,712 : : Pounds :	: 15,479 : : Pounds :	: 21,618 : : Pounds :	: 10,785 : : Pounds :	: 7,535 : : Pounds :	: 7,479 : : Pounds :
Burley	: 1,996 : : Pounds :	: 3,555 : : Pounds :	: 2,566 : : Pounds :	: 2,715 : : Pounds :	: 3,044 : : Pounds :	: 2,563 : : Pounds :
Kentucky-Tennessee	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :
Fire-cured	: 4,441 : : Pounds :	: 2,160 : : Pounds :	: 3,435 : : Pounds :	: 1,024 : : Pounds :	: 633 : : Pounds :	: 970 : : Pounds :
Virginia Fire-cured	: 356 : : Pounds :	: 305 : : Pounds :	: 93 : : Pounds :	: 63 : : Pounds :	: 7 : : Pounds :	: 26 : : Pounds :
Maryland	: 427 : : Pounds :	: 238 : : Pounds :	: 223 : : Pounds :	: 138 : : Pounds :	: 300 : : Pounds :	: 425 : : Pounds :
One Sucker	: 682 : : Pounds :	: 247 : : Pounds :	: 224 : : Pounds :	: 188 : : Pounds :	: 157 : : Pounds :	: 178 : : Pounds :
Green River	: 716 : : Pounds :	: 247 : : Pounds :	: 473 : : Pounds :	: 151 : : Pounds :	: 1 : : Pounds :	: 131 : : Pounds :
Cigar Leaf	: 23 : : Pounds :	: 579 : : Pounds :	: 818 : : Pounds :	: 523 : : Pounds :	: 926 : : Pounds :	: 606 : : Pounds :
Other	: 90 : : Pounds :	: - : : Pounds :	: 2 : : Pounds :	: - : : Pounds :	: - : : Pounds :	: - : : Pounds :
Stems, Trimmings and Scrap	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :	: : : Pounds :
	: 67 : : Pounds :	: 65 : : Pounds :	: 118 : : Pounds :	: 56 : : Pounds :	: 40 : : Pounds :	: 41 : : Pounds :
Total	: 12,510 : : Pounds :	: 22,921 : : Pounds :	: 29,570 : : Pounds :	: 15,643 : : Pounds :	: 12,643 : : Pounds :	: 12,419 : : Pounds :

1/ May include small quantities to Luxembourg. 2/ Preliminary.

Source: Records of the Bureau of the Census, Department of Commerce.

Exports of Kentucky-Tennessee fire-cured leaf have continued to decline and now amount to less than one-quarter of the prewar level. Exports of United States cigar leaf, mainly wrapper, have increased greatly from the prewar period as a direct result of insufficient export availabilities in Indonesia.

There is a wide variation between reported United States tobacco exports to Belgium, and Belgian imports of leaf tobacco from this country, especially during

the past 3 years. Apparently, around 7 million pounds of United States leaf each year during 1952-54 have moved through the Netherlands in transit to Belgium. Such quantities are recorded as United States exports to the Netherlands, although the ultimate destination is Belgium. These quantities are included in Belgium's import statistics.

The Belgian industry maintains a fairly active import and export trade in tobacco products. Belgium is a net exporter of cigarettes and smoking tobacco, but a net importer of cigars and cigarillos. Imports of cigarettes during the postwar period have been chiefly from the United States and the Netherlands. Cigarette exports have been directly principally to the Belgian Congo.

### Utilization and Output

The quantity of tobacco used by manufacturers during the postwar period is slightly under the level of prewar.

Belgium: Quantities of unmanufactured tobacco used in the production of the various tobacco products, averages 1937-39 and 1947-51; annual 1951 through 1954

Year	: Cigars	: Ciga- : rillos	: Smoking : Mixtures	: Chewing : Tobacco	: Ciga- : rettes	: Snuff	: Total
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds	: Pounds
	:	:	:	:	:	:	:
Average:	:	:	:	:	:	:	:
1937-39 1/	: 3,518	: 4,021	: 32,882	: 397	: 15,132	: 450	: 56,402
1947-51	: 1,422	: 1,964	: 23,656	: 193	: 25,320	: 302	: 52,857
1951	: 1,468	: 2,207	: 26,700	: 119	: 24,927	: 320	: 55,741
1952	: 1,409	: 2,648	: 25,783	: 117	: 23,988	: 201	: 54,147
1953	: 1,640	: 3,199	: 24,546	: 110	: 24,059	: 201	: 53,755
1954 2/	: 1,543	: 3,527	: 23,810	: 112	: 24,496	: 196	: 53,572
	:	:	:	:	:	:	:

1/ Data not available for 1935-36. 2/ Preliminary.

Sources: FFDETAB and Annaire Statistique.

Cigarette production has increased substantially, while the output of other products remains below prewar. In prewar years, about 13 percent of the tobacco was used in the production of cigars and cigarillos, 58 percent in smoking mixtures, 27 percent in cigarettes and about 2 percent in chewing and snuff. During the past 3 years (1952-54) about 8 percent was used in the production of cigars and cigarillos, 46 percent in smoking mixtures, 45 percent in cigarettes, and less than 1 percent in chewing and snuff. Since 1951, the output of cigarettes and smoking tobaccos has declined slightly; on the other hand, some increases in output of cigars and cigarillos have occurred.

Belgium: Output of tobacco products; averages 1935-39  
and 1947-51; annual 1951 through 1954

Year	Cigars	Cigarillos	Cigarettes	Smoking Mixtures	Chewing Tobacco	Snuff	Estimated Total
	1,000 : Pieces	1,000 : Pieces	1,000 : Pieces	1,000 : Pounds	1,000 : Pounds	1,000 : Pounds	1,000 : Pounds
Average:							
1935-39	192,265	570,408	5,747,328	28,870	1/ 633	1/ 564	50,929
1947-51	81,933	257,868	8,390,705	21,970	308	379	47,730
1951	77,148	302,022	9,115,194	23,668	293	335	51,508
1952	87,457	358,536	8,706,241	22,856	288	223	50,259
1953	104,259	417,237	8,759,614	22,436	271	223	50,038
1954	100,705	483,652	8,804,012	21,466	163	293	49,563

1/ Data unavailable; estimated from usings.

Source: Annuaire Statistique and FEDETAB.

Consumption and Retail Prices

Consumption of cigarettes in Belgium totaled 8,264 million pieces in 1954. This was slightly higher than in 1952-53, but below the 1947-51 average. Consumption last year was 62 percent greater than during the period 1935-39. At present, about 85 percent of the cigarettes consumed in Belgium are believed to be American-blended type.

Consumption of smoking mixtures has declined about 25 percent from prewar. In 1954, only 21.7 million pounds of smoking tobaccos were sold to consumers, as compared with an average of 29.4 million during 1935-39. Most of the decline has occurred in tobacco for pipe smoking. Very little decrease has taken place in smoking tobaccos for use in "roll-your-own" cigarettes.

Cigars and cigarillos are becoming more popular in Belgium, although quantities consumed remain well below prewar. Retail price reductions (following lower excise tax rates imposed in 1951 and 1952) acted as a stimulant for sales of these products.

Belgium: Consumption of tobacco products, as indicated by sales;  
averages 1935-39 and 1947-51; annual 1951 through 1954

Year	Cigars	Cigarillos	Cigarettes	Smoking Mixtures 1/	Estimated Total
	Million : Pieces	Million : Pieces	Million : Pieces	1,000 : Pounds	1,000 : Pounds
Average:					
1935-39	191	569	5,113	29,440	48,562
1947-51	83	265	8,565	21,690	47,284
1951	68	311	8,406	21,740	46,974
1952	123	383	8,115	23,122	46,751
1953	131	445	8,217	22,152	48,324
1954	149	510	8,264	21,716	48,572

1/ Includes chewing tobacco and snuff. Source: FEDETAB.

Average retail prices of tobacco products in 1953 were as follows: cigars, 3.93 francs (7.9 U.S. cents) each; cigarillos, 1.20 francs (2.4 U.S. cents) each; cigarettes, 9.06 francs (18.1 U.S. cents) per package of 20; and smoking mixtures, 160.69 francs per kilogram (\$1.46 per pound). <sup>1/</sup>

### Taxation

Taxes include a production tax on leaf tobacco grown in Belgium, a small import duty, and excise and transmission (sales) taxes on tobacco products. Revenues derived from excise duties account for about 88 percent of total revenues collected from tobacco. The present transmission tax on tobacco products is 5 percent of the retail price. Excise duties are levied on the various manufactured tobacco products as a percent of the retail price. With the introduction of the Benelux Unified Excise Duties on April 16, 1951, the duties on cigars, cigarillos and cut tobacco were reduced respectively to 27, 33 and 40 percent, while on cigarettes they were increased to 62 percent. In January 1952, the retail price on cigarettes was increased in an attempt to maintain the excise revenue from cigarettes as the result of price increases of raw materials. On May 28, 1952, the excise tax on cigars and cigarillos was further reduced to 14 and 20 percent respectively to aid these two declining industries.

Belgium: Excise tax levied on tobacco products as a percent of the retail price for specified years

Year Rate Became Effective	Percent of Retail Price					
	Cigars	Cigarillos	Cigarettes	Smoking Mixtures		
	Percent	Percent	Percent	Percent		
1935	8.65	9.16	31.18	23.74		
1938	8.00	10.00	36.00	21.00		
1939	9.00	11.00	38.00	23.00		
1942	39.00	41.00	57.00	49.00		
1951	27.00	33.00	62.00	40.00		
1952	14.00	20.00	62.00	40.00		

Total tobacco taxes represented 35.7 percent of the total prewar retail value of tobacco products, as compared with 56.9 percent during 1947-53 period. Revenues derived by the government from tobacco account for about 4 percent of the total revenues collected by the Belgian Government.

<sup>1/</sup> The official rate of exchange during 1953 was 50 Belgian francs equaled one U. S. dollar.

1. The first part of the report is a general introduction to the subject of the study. It discusses the importance of the problem and the objectives of the research.

2. The second part of the report is a detailed description of the methods used in the study. It includes a discussion of the experimental design, the data collection procedures, and the statistical analysis techniques.

Table 1: Summary of Results	
Parameter	Value
Mean	1.2
Standard Deviation	0.5
Correlation Coefficient	0.8
Regression Coefficient	0.6
Intercept	0.4
Adjusted R-squared	0.7
F-statistic	10.5
p-value	0.001

3. The third part of the report is a discussion of the results. It compares the findings with previous research and discusses the implications of the study.

4. The final part of the report is a conclusion. It summarizes the main findings and provides recommendations for future research.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 28-55

June 6, 1955

## PRODUCTION AND EXPORTS OF YUGOSLAV TOBACCO EXPECTED TO INCREASE

### Summary

The Yugoslav Tobacco Institute is attempting to increase production of tobacco as rapidly as possible in order to furnish tobacco to their usual markets as well as to fulfill new commitments to a number of the Iron Curtain countries. Yugoslavia signed bi-lateral agreements with several members of the Soviet Bloc in the latter part of 1954 and early in 1955, according to information received from Roy O. Westley, Agricultural Attache, American Embassy, Belgrade. A substantial quantity of tobacco has already moved under the terms of the agreements and shipments are expected to continue. It is expected that production in 1955 will show a considerable increase over the 1954 output of 64.4 million pounds as a result of efforts on the part of the Institute to expand output.

### Foreign Trade

Exports of unmanufactured tobacco from Yugoslavia totaled more than 15.4 million pounds in 1954 and were valued at \$7.9 million. This was about 13 percent above the quantity shipped in 1953, but was 16 percent below the 1952 level and 30 percent below the 1947-51 average. A total of 12.8 million pounds or 83 percent of the leaf exports was fermented tobacco, while the remaining 2.6 million pounds was unfermented leaf tobacco, all of which was taken by Italy.

The most important markets for Yugoslav fermented leaf tobacco in 1954 were the United States and France with each country receiving more than 3 million pounds or about one-fourth of the total quantity shipped. The United States' purchases accounted for almost 30 percent of the value of fermented leaf exports, while France received 24 percent of the total. West Germany and Austria were other important markets, taking 1.4 and 1 million pounds, respectively.

Yugoslavia signed new bi-lateral agreements with East Germany, U.S.S.R., and Czechoslovakia in the second half of 1954 and began exporting fermented leaf tobacco under the terms of the agreements. By the end of the year, these countries had purchased more than 2.1 million pounds, accounting for 16.6 percent of total fermented leaf exports for the year. The value of these exports amounted to \$1,225,000 or 18.2 percent of the total, indicating that these countries were paying good prices for Yugoslav tobacco. Since January 1, bi-lateral agreements have been completed with other Soviet Bloc countries and these countries have been meeting their agreement quotas.

Although Russia and certain of her satellite countries took large quantities of Yugoslav tobacco in the period immediately following World War II, shipments to this area had stopped after 1949 and were not resumed until after the agreements were negotiated. With the re-opening of this outlet to the Soviet Bloc, the Yugoslav Tobacco Institute is attempting to increase production as rapidly as possible in order to meet new commitments as well as retain their other markets.

While imports of leaf tobacco by Yugoslavia have been relatively small in recent years - amounting to only 72,000 pounds in 1954 - it is probable that the prewar practice of buying certain quantities of poor quality tobacco from the Middle East will be resumed for blending in the manufacture of local products. Such a practice would permit the exportation of larger quantities of locally grown tobacco. Whether or not this will affect Yugoslav exports to the United States is not clear at this time.

Exports of manufactured tobacco products from Yugoslavia are not important. In 1954, about 1,660 pounds of cigarettes were shipped with West Germany being the most important purchaser. No tobacco products were imported by Yugoslavia in 1954.

Yugoslavia: Exports of unmanufactured tobacco, average 1947-51,  
annual 1952-54

Unmanufactured Tobacco :	1947-51 :	1952 :	1953 :	1954
	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:	:
Fermented	: 21,084	: 16,265	: 11,316	: 12,794
Unfermented	: 889	: 2,205	: 2,315	: 2,645
Total	: 21,973	: 18,470	: 13,631	: 15,439
	:	:	:	:

Prepared in the Foreign Agricultural Service from reports of Agricultural Attaches and other U. S. representatives abroad.

Yugoslavia: Quantity and value of exports of unmanufactured tobacco by country of destination, 1954

Country	Quantity	Value
	: 1,000 pounds	: 1,000 dollars 1/
Fermented:		
United States	3,158	1,990
France	3,289	1,612
West Germany	1,415	602
East Germany	1,218	694
Austria	992	479
U.S.S.R.	738	419
Italy	661	327
Sweden	441	274
Netherlands	277	95
Belgium-Luxemburg	216	44
Algeria	176	48
Czechoslovakia	166	111
Other	47	22
Total Fermented	12,794	6,717
Unfermented:		
Italy	2,645	1,207

1/ Converted from dinars at the rate of 300 dinars per dollar.

Prepared in the Foreign Agricultural Service from reports of U. S. Agricultural Attaches.

Production

Output of leaf tobacco in Yugoslavia in 1954 amounted to almost 64.4 million pounds from about 91,000 acres. This production was only slightly above the previous year's harvest and 7 percent above the 1947-51 level, but was 72 percent above the prewar average.

It is reported that almost three-fifths of the 1954 crop was oriental or Turkish-type cigarette tobacco with an additional one-fourth being semi-oriental type. Most of the oriental tobacco is produced in the southeastern part of the country in the mountain regions of the Province of Macedonia. Semi-oriental types are grown in a number of somewhat scattered areas in central Yugoslavia, including the Province of Hercegovina and South Serbia. The cigar tobacco, which accounted for about 16 percent of the 1954 crop, is grown in Vojvodina, which is in the northeastern section of the country on the level land north and east of the Danube River.

While no data are yet available as to the acreage planted or probable yield in 1955, it is expected that this year's crop will be up considerably from previous levels if the plans of the Tobacco Institute are fully carried out.

Yugoslavia: Acreage and production of tobacco, average 1935-39, 1947-51  
annual 1952-54

Year	Acres			Production		
	Oriental 1/	Cigar	Total	Oriental 1/	Cigar	Total
	1,000	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds
Average:						
1935-39	35	4	39	32,920	4,490	37,410
1947-51	80	9	89	52,467	7,155	59,622
Annual:						
1952	57	14	71	26,165	6,540	32,705
1953	74	10	84	56,217	7,716	63,933
1954	81	10	91	54,233	10,141	64,374

1/ Includes semi-oriental.

Prepared in the Foreign Agricultural Service from reports of Agricultural Attaches and other U. S. representatives abroad.

Output and Consumption of Tobacco Products

Almost all the tobacco products manufactured in Yugoslavia are cigarettes and, since exports are negligible, output of products closely approximates consumption. Cigarette production in 1954 was about 34.4 million pounds, approximately 13 percent above the 1953 output. It is estimated that production in 1955 will be 15 percent above the 1954 level and will exceed 39.5 million pounds.

Output and use of all other manufactured products, including cigars, smoking and cut tobacco, and snuff, were placed at about 660,000 pounds in 1954. It is expected that about 12 percent more of these products will be manufactured in 1955.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 29-55

## THE TOBACCO MARKET IN DENMARK 1/

### Outlook for United States Leaf

1. On February 23, 1955, the Danish tobacco import trade was completely freed from governmental controls. This liberalization of dollar tobacco imports had been in effect on an informal basis during most of 1954. United States tobaccos are now free to compete in the Danish market without encountering artificial restraints imposed by the government.

2. United States leaf accounts for nearly one-half of Denmark's tobacco imports, which totaled 24 million pounds in 1954. The country's manufacturers and consumers prefer United States leaf--particularly flue-cured. Because of price considerations, however, substitute leaf is being imported in increasing quantities from other sources, such as India, Southern Rhodesia, and other countries in Africa. (In 1954, total imports of flue-cured from these areas may be estimated at somewhat more than 4 million pounds).

3. A declining trend is evident in use of United States Burley in both cigarettes and smoking mixtures. This is reflected in lower exports of this type of leaf to Denmark in 1953 and 1954. Burley has been displaced to some extent by flue-cured tobaccos from both the United States and other areas.

4. There is also a downward trend in use of United States cigar leaf. As larger supplies became available for export from Indonesia, Danish importers reduced their purchases of wrappers and binders here.

### Summary

Denmark's tobacco industry depends entirely on imported leaf, and the United States supplies nearly one-half of total requirements. In prewar years (1935-39), the United States' share was close to 30 percent, when indirect purchases, made via third countries, are included. Flue-cured leaf

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1/ Based partially on observations made on a recent survey trip to Western Europe by R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, and partially on material available in the files of the Tobacco Division. The assistance rendered by members of the staff of the American Embassy at Copenhagen, and by the Danish tobacco trade, is acknowledged.

now accounts for more than 80 percent of total United States exports to Denmark. This type of leaf is used almost exclusively in American-type blended cigarettes and smoking mixtures. Danish consumers prefer the American-type blended cigarette, and both straight Virginia and Oriental cigarettes are much less popular than prior to World War II.

Increased consumption of cigarettes in recent years, has been reflected in larger takings of cigarette leaf--particularly flue-cured--from the United States. Consumption averaged only 1.5 billion cigarettes during 1935-39, 3.2 billion in 1947-51, and 3.8 billion in 1954. There was little variation in the figures, however, for the period 1952-54.

Consumption of cigarillos is considerably above prewar; smoking tobacco and snuff are about equal to prewar; cigars and chewing tobacco are well below the prewar level. Estimated total consumption of all tobacco products in 1954 was 20.7 million pounds. This was roughly equivalent to consumption during both 1952 and 1953, but was 13 percent above the 1935-39 average.

### Production

Under normal conditions the quantity of leaf tobacco grown in Denmark is insignificant and plays no important part in the manufacture of tobacco products. Climatic conditions alone make it impossible to produce a leaf of acceptable quality in comparison with tobacco from foreign sources. However, Denmark was forced, as were other European countries, to substitute domestically-grown leaf when tobacco imports were sharply curtailed after 1939. Danish tobacco compared unfavorably with foreign leaf both in quality and cost of production, and after 1945 was utilized primarily as "filler" in the production of low-priced cigars. Commercial tobacco production in Denmark rose from 1,100 pounds in 1938 to 6.7 million pounds in 1945 and then declined to 77,000 pounds in 1949. Consumption of Danish leaf reached its peak in 1944-45 when nearly 40 percent of the tobacco used by the industry was home-grown. No statistical data are available regarding production since 1949.

### Trade

During the period 1935-39, imports of unmanufactured tobacco averaged 20.7 million pounds annually. The official figure of 3.9 million pounds from the United States indicated that the United States' share of the market was only 19 percent. However, there was considerable indirect movement of U. S. leaf through the Netherlands and the United Kingdom.

It is believed that our share in the prewar Danish market was actually close to 30 percent. The large figure of 10.7 million pounds, reported as imports from the Netherlands, consisted entirely of re-exports of tobacco produced elsewhere. The Netherlands' figure included leaf from a considerable number of countries, but was primarily of Indonesian, Balkan (Oriental Leaf) and United States origin. Imports during the years 1947-51 were not reported by country of origin. It is not believed, however, that indirect imports of United States leaf during the period were significant. During the past few years, imports by country of origin are available. For the years 1952-54, total imports averaged 22.4 million pounds, with about 10.9 million or 49 percent from the United States.

Denmark: Imports of unmanufactured tobacco; averages 1935-39  
and 1947-51; 1952 through 1954

Country of Origin	Average 1935-39	Average 1947-51	1952	1953	1954
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States	3,863	9,271	11,162	10,195	11,417
Brazil	40	4,056	3,542	4,719	4,707
Cuba	16	7	373	430	55
Turkey	2/	524	266	601	439
Greece	445	280	157	95	26
United Kingdom 1/	2,230	4,645	-	1	-
Netherlands 1/	3/ 10,687	3/ 1,704	130	54	85
Indonesia	-	-	2,772	3,042	2,967
India	2/	93	22	263	326
Other	4/ 3,428	5/ 2,358	5/ 3,882	5/ 1,424	5/ 4,026
Total	20,719	22,938	22,306	20,880	24,048

1/ Re-exports. 2/ If any, included in other. 3/ Includes Indonesia. 4/ Includes about 2 million pounds from Germany. 5/ Includes substantial quantities from Southern Rhodesia, British East and South Africa.

Source: Denmark's Vareindførsel Og-Udførsel and Statistiska Tabelvarerk.

In recent years, flue-cured imports from the United States and other areas have been stepped-up. On the other hand, imports of oriental leaf have declined. This shift in the pattern of imports has closely paralleled increased consumer demand for American-type blended cigarettes, and declining consumption of straight oriental cigarettes.

Changes are also noted in the pattern of cigar leaf trade. Prior to World War II, the Netherlands East Indies (now Indonesia) was the major source of Denmark's cigar leaf imports. Most of these imports were supplied by indirect trade through the Netherlands. During the postwar period, Brazil has become the most-important source of filler leaf. Binders and wrappers have been furnished by both Indonesia and the United States. Imports of United States cigar tobaccos, however, during the past two or three years have declined, and larger takings of Indonesian binders and wrappers have occurred.

Statistics covering imports by types of tobacco are not available. Exports of United States leaf to Denmark may be used as indicative of the trend in Danish imports, by kind of tobacco, from this country. During the prewar period, flue-cured made up about one-half of our export trade. During recent years, flue-cured has accounted for around 80 percent of our trade. Burley exports in most postwar years were larger than those in prewar; exports of Kentucky-Tennessee fire-cured have been well below the prewar average. Fire-cured leaf is used principally in chewing tobacco and snuff. Output of chewing tobacco, which in prewar years required about 1 million pounds of U. S. fire-cured leaf, is now down to about 50 percent of prewar.

United States exports of unmanufactured tobacco to Denmark  
by types: averages 1935-39 and 1947-51; 1952 through 1954

Type	: Average : : 1935-39 :	Average : : 1947-51 :	: 1952 :	: 1953 1/ :	: 1954 1/ :
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Flue-cured	: 2,498	: 7,577	: 6,991	: 9,906	: 7,946
Burley	: 827	: 1,560	: 1,710	: 737	: 500
Kentucky-Tennessee	:	:	:	:	:
fire-cured	: 1,055	: 594	: 466	: 561	: 683
Virginia fire-	:	:	:	:	:
cured	: 171	: 104	: 12	: 60	: 29
Maryland	: 127	: 44	: 26	: 20	: 38
Cigar Leaf 2/	: -	: 930	: 154	: 281	: 185
Other	: 14	: 1	: 2	: 4	: -
Stems, Trimmings	:	:	:	:	:
and Scrap	: 201	: 316	: 198	: 244	: 178
Total	: 4,893	: 11,126	: 9,559	: 11,813	: 9,559

1/ Preliminary

2/ Mainly wrapper and binder.

Source: Census Records, U. S. Department of Commerce.

Denmark's trade in tobacco products is relatively insignificant. Imports of cigarettes and pipe tobaccos, largely from the United Kingdom and the United States, averaged 479,000 pounds and 111,000 pounds, respectively, during 1947-51. In 1954, there was a small increase in both of these categories. Imports of other products are extremely small. Exports of products, consisting chiefly of pipe tobacco and cigarettes totaled only 63,000 pounds in 1954, compared with the prewar average of 519,000 pounds.

#### Utilization and Consumption

The total quantity of unmanufactured tobacco used in Denmark's tobacco factories amounted to 23.3 million pounds in 1954, compared with an average of 19.2 million during 1935-39 -- a 21 percent increase. Increases in leaf utilization for cigarette manufacture have more than offset declines in that used for cigars, pipe tobacco, and chewing tobacco. Leaf used in cigarettes in 1954 totaled 10.0 million pounds, compared with 4.0 million in prewar. Leaf used in all other products last year amounted to 13.3 million -- a 13 percent decrease from the prewar level.

Denmark: Utilization of unmanufactured tobacco:  
averages 1935-39 and 1947-51; 1951 through 1954

Year	Cigarettes	Cigars, Cheroots & Cigarillos	Pipe Tobacco	Chewing Tobacco & Snuff	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	3,950	8,625	5,267	1,364	19,206
1947-51 Av.	8,364	8,139	4,786	1,173	22,462
1951	8,781	7,075	4,610	1,058	21,524
1952	9,764	8,073	4,866	1,032	23,735
1953	10,064	7,661	4,491	725	22,941
1954	10,042	7,822	4,751	694	23,309

Source: Industriel Produktions Statistik

Consumption of Tobacco Products

There has been an upward trend in total consumption since prewar. Consumption, as indicated by domestic sales, increased from 18.3 million pounds in 1935-39 to 20.7 million pounds in 1954. Consumption of cigarettes has increased substantially, with moderate increases in cigarillos and pipe tobacco. Consumption of cigars has declined drastically and amounted to only 45 percent of the prewar annual average during 1953-54. Likewise, the consumption of chewing tobacco has declined sharply and amounted to only 53 percent of the prewar level. The decline in consumption of cigars and chewing tobacco has been more than offset by the increase in cigarette consumption, resulting in a 13 percent rise in total consumption of all tobacco products since prewar.

There has been a shift in demand for cigarettes resulting from a change in consumer preference. The prewar consumer demand for cigarettes was 45 percent oriental, 10 percent straight Virginia and 50 percent American-type blended. The postwar demand has changed to about 85 percent blended, 10 percent oriental and 5 percent straight Virginia.

Denmark: Consumption of tobacco products: Averages  
1935-39 and 1947-51; 1951 through 1954 1/

Year	Cigarettes	Cigars	Cigarillos	Pipe Tobacco	Chewing Tobacco	Snuff
	Million pieces	Million pieces	Million pieces	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	1,511	440	388	5,574	1,439	1,045
1947-51 Av.	3,205	356	429	5,866	1,000	1,176
1951	3,483	282	423	5,309	952	1,071
1952	3,881	214	541	5,674	816	1,078
1953	3,900	196	588	5,578	792	1,069
1954	3,800	197	606	5,776	743	1,056

1/ Based on domestic sales. Source: Industriel Produktions Statistik.

## Retail Prices and Taxation

Retail prices of all tobacco products have increased substantially since prewar. Increases occurred in retail prices of all products in both 1953 and 1954, primarily due to higher costs of leaf tobacco and other raw materials, and a rise in wage rates for factory operatives. Current prices for cigarettes are about 3.4 krone per package of 20 (49 U.S. cents); cigarillos, 0.3-0.4 krone per piece (4.3 to 5.8 U.S. cents); cigars, 1-2 krone per piece (14-29 U.S. cents); fine-cut smoking tobacco, 65-71 krone per kilogram (\$4.27-\$4.67 per lb.), and coarse cut smoking tobacco, 48-53 krone per kilogram (\$3.16-\$3.48 per lb.) 1/

Tobacco taxes in Denmark are collected by means of an import duty on leaf tobacco and an excise tax on tobacco products. Import duties are quite low, amounting to about 2.3 krone per kilogram (15 U.S. cents per pound). Most of the tobacco revenues are derived from excise taxes.

Excise taxes are levied on the various tobacco products as a percent of the wholesale or retail price. Taxes on cigars and cigarillos represent a certain percent of the wholesale price; those on cigarettes and other products are based on percentages of the retail price. The excise tax structure on cigars, cigarillos and cigarettes is graduated upwards as the retail prices of these products increases. With the exception of cigars, excise tax rates, as a percentage of the retail price, have been increased substantially since prewar. At present, excises represent roughly 75 percent of the retail price of cigarettes. In the case of cigars, two reductions in excise rates have been granted since 1952, to aid the industry in improving its sales, and also relieve unemployment. Excises on cigars now average about 25 percent of the retail price. The cigar industry employs about 75 percent of all workers engaged in production of tobacco manufactures in Denmark.

Tobacco taxes are one of the principal sources of revenue for the Danish Government, accounting for more than 20 percent of total revenues collected during the fiscal years 1952-54.

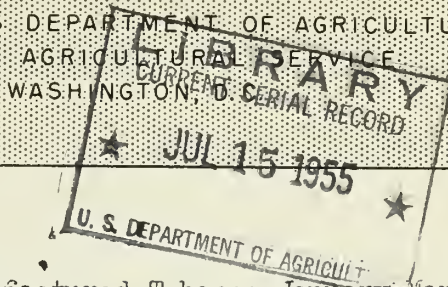
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1/ The official exchange rate during 1954: one Danish krone (100 ore) equaled 14.49 U.S. cents.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 30-55

June 20, 1955

## United States: Exports of Unmanufactured Tobacco January-March 1955 With Comparisons

Exports of unmanufactured tobacco for the first three months of the current year were about 35 percent higher than those of the corresponding 1954 period.

With the exception of cigar binder and cigar filler, all types of tobacco showed increases ranging from about 20 percent to well over 800 percent.

### Flue-cured

Exports of flue-cured tobacco were 70.5 million pounds for January-March 1955 compared with 58.3 million pounds for the same period in 1954, an increase of about 21 percent. Shipments to the United Kingdom were 10.2 million pounds for January-March 1955, a decrease of about 17 percent from shipments of 12.3 million pounds for the corresponding period in 1954. Exports to West Germany increased about 68 percent for the first three months of 1955 -- 11.6 million pounds compared with 6.9 million pounds for the same period in 1954.

There were increases in exports of flue-cured tobacco to most of the major importing countries of Europe and Asia: Norway, Denmark, Belgium and Luxembourg, Austria, Switzerland, Spain, India, Thailand, Indochina, the Philippines, Hong Kong, Taiwan, New Zealand and Egypt.

Countries taking less flue-cured tobacco for January-March 1955 included Ireland, the Netherlands, Finland, Indonesia and Australia. Yugoslavia, which took 182,000 pounds of flue-cured tobacco in the first three months of 1954, took no flue-cured tobacco for the same period in 1955. The largest increase for this period was in exports to West Germany, mentioned above.

### Burley

Exports of Burley tobacco increased 133 percent for the first three months of 1955 with shipments to Sweden, Denmark, Belgium and Luxembourg, France, West Germany, Austria, Portugal and Australia accounting for 7.3 million pounds out of a total of 9.9 million pounds. Sweden, France and Austria took substantial quantities of Burley for this period compared with no takings of Burley for the first three months of 1954. Countries taking less Burley for January-March 1955 include Mexico and the Netherlands.

### Dark-fired Kentucky-Tennessee

Exports of Dark-fired Kentucky-Tennessee increased 75 percent in the January-March 1955 period (6.1 million pounds) over the same period in 1954 (3.5 million pounds). Exports to Denmark, Belgium and Luxembourg, Switzerland, French W.Africa,

and Gold Coast were lower than a year earlier. Countries which took no Kentucky-Tennessee during January-March 1955 included Peru, Ireland, Portugal, Indochina, Indonesia and Algeria. The bulk of the increase in Kentucky-Tennessee was in exports to France -- 2.1 million pounds -- compared with no takings for January-March 1954.

#### Virginia Fire-cured and Sun-cured

Exports of Virginia fire-cured tobacco increased 26 percent for the first three months of 1955, totaling 970,000 pounds compared with 767,000 pounds for the corresponding period in 1954. The largest increase was in shipments to the United Kingdom totaling 295,000 pounds compared with 53,000 pounds for January-March 1954. Exports of Virginia Sun-cured tobacco totaled 58,000 pounds, compared with 28,000 pounds for the first three months of 1954. The entire amount went to Norway.

#### Maryland

Exports of Maryland tobacco increased 79 percent for January-March 1955 compared with the previous year. Takings by Switzerland amounted to 1.4 million pounds out of a total of 1.7 million pounds for this period. There were increased takings by the Netherlands and Spain for this period compared with the first three months of 1954. There were no shipments to Tunisia for January-March 1955, compared with 93,000 pounds for the corresponding period of 1954.

#### Green River, One Sucker

Exports of Green River tobacco were 86 percent higher for January-March 1955 (1.4 million pounds) compared with 771,000 pounds for January-March 1954. Shipments of 1.0 million pounds to the United Kingdom accounted for the bulk of the increase, and for the first time in several years, Madagascar took 240,000 pounds.

Exports of One Sucker tobacco increased over 800 percent for January-March 1955. The spectacular increase was accounted for by shipments to France totaling 389,000 pounds and to Madagascar amounting to 928,000 pounds. Belgium and Luxembourg took 190,000 pounds of One Sucker tobacco compared with 7,000 pounds for the first three months of 1954.

#### Black Fat

Exports of Black Fat increased 100 percent for January-March 1955 totaling 1.3 million pounds. Three countries (French West Africa, Gold Coast and Nigeria) took practically the entire amount shipped for this period -- 1.2 million pounds.

#### Cigar Leaf

There was a slight increase of 8 percent in exports of all cigar leaf for the first three months of 1955 over the same period in 1954. Exports of cigar binder and cigar filler, however, declined for this period. There were increases in exports of cigar wrapper to Canada, Brazil, Denmark, Belgium and Luxembourg, and West Germany. Exports of cigar filler were negligible for this period -- totaling only 3,000 pounds. Exports of cigar binder decreased 5 percent. There were slight increases to the Netherlands and West Germany.

Perique, Trimmings, Stems and Scrap

Exports of Perique increased over 100 percent, totaling 76,000 pounds compared with 33,000 pounds for January-March 1954. The United Kingdom took 62,000 pounds.

Exports of Trimmings, Stems and Scrap increased 58 percent for January-March 1955, totaling 1.0 million pounds, compared with 652,000 pounds for the previous year.

United States: Exports of unmanufactured tobacco by types,  
January-March 1955 with comparisons

Type	Calendar Years				Jan-March		Percent
	Average	1952 1/	1953 1/	1954 1/	1954 1/	1955 1/	Change
	1947-51	1952 1/	1953 1/	1954 1/	1954 1/	1955 1/	Jan-March 1954-1955
	1,000	1,000	1,000	1,000	1,000	1,000	
	pounds	pounds	pounds	pounds	pounds	pounds	percent
Flue-cured	388,078	319,270	444,306	374,723	58,305	70,516	+ 20.9
Burley	32,865	27,044	25,007	29,561	4,239	9,877	+ 133.0
Ky-Tenn.							
Fire-cured	24,591	21,752	19,485	20,945	3,466	6,067	+ 75.0
Virginia							
Fire-cured	6,046	4,860	4,276	3,933	767	970	+ 26.5
Virginia							
Sun-cured 2/	-	277	42	81	28	58	+ 107.1
Maryland	7,349	5,807	8,135	8,670	980	1,753	+ 78.9
Green River	1,726	2,260	1,829	2,102	771	1,435	+ 86.1
One Sucker	3,063	1,535	1,023	864	158	1,565	+ 890.5
Black Fat	4,669	3,204	3,881	4,536	671	1,340	+ 99.7
Cigar Leaf:							
Wrapper 2/	-	3,061	3,901	3,491	560	810	+ 44.6
Binder 2/	-	2,848	3,100	1,723	347	329	- 5.2
Filler 2/	-	853	587	158	147	3	- 98.0
Total							
Cigar Leaf	9,770	6,762	7,588	5,372	1,054	1,142	+ 8.3
Perique	79	60	66	50	33	76	+ 130.3
Trimmings,							
Stems & Scrap:	8,116	3,622	3,027	2,727	652	1,028	+ 57.7
Total	486,352	396,453	518,665	453,564	71,124	95,827	+ 34.7

1/ Preliminary. 2/ Class established January 1952.

Compiled in the Foreign Agricultural Service from records of the Bureau of the Census.

Country	Flue-cured		Country	Burley	
	Jan-March			Jan-March	
	1954	1955		1954	1955
	1,000	1,000		1,000	1,000
	pounds	pounds		pounds	pounds
Mexico	512	119	Mexico	684	157
El Salvador	150	150	Sweden	-	1,299
Uruguay	8	39	Norway	72	114
Norway	676	1,397	Denmark	53	284
Denmark	854	1,864	Netherlands	701	468
United Kingdom	12,287	10,237	Belgium & Luxembourg	471	1,006
Ireland	1,907	1,781	France	-	441
Netherlands	6,982	4,218	West Germany	1,101	1,786
Belgium & Luxembourg	1,301	4,506	Austria	-	802
France	-	131	Switzerland	16	258
West Germany	6,910	11,581	Finland	28	49
Austria	1,106	2,506	Portugal	242	908
Switzerland	840	1,000	Philippines	177	332
Finland	464	321	Hong Kong	100	303
Spain	245	583	Australia	59	802
Portugal	1,567	1,566	Egypt	131	309
Malta	160	456	Other	404	559
Yugoslavia	182	-	Total	4,239	9,877
India	40	887			
Pakistan	483	398	Dark-Fired Kentucky-Tennessee		
Ceylon	200	360			
Thailand	1,344	1,894	Peru	110	-
Indochina	305	550	Iceland	68	-
Indonesia	2,785	1,513	Sweden	108	748
Philippines	4,211	5,777	Denmark	328	184
Hong Kong	734	1,208	United Kingdom	131	898
Taiwan	108	387	Ireland	149	-
Japan	4,763	4,742	Netherlands	988	1,093
Australia	2,702	1,973	Belgium & Luxembourg	187	84
New Zealand	1,960	2,435	France	-	2,066
Egypt	1,335	2,979	West Germany	165	168
Nigeria	-	220	Switzerland	349	178
British E. Africa	28	419	Azores	22	3
Other	1,156	2,319	Portugal	76	-
Total	58,305	70,516	Indochina	33	-
			Indonesia	110	-
			New Zealand	70	62
			Algeria	49	-
Honduras	1	-	Cameroon	77	54
Norway	27	58	French West Africa	183	70
Other	-	-	Gold Coast	47	17
Total	28	58	Egypt	24	55
			Other	192	387
			Total	3,466	6,067

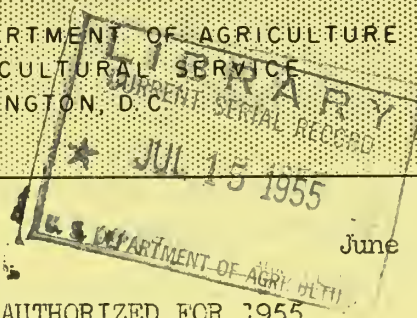
Virginia Fire-cured		Maryland	
Country	Jan-March	Country	Jan-March
	1954 : 1955		1954 : 1955
	1,000 : 1,000		1,000 : 1,000
	pounds : pounds		pounds : pounds
Trinidad & Tobago	- : 21	Denmark	22 : -
Sweden	97 : -	Netherlands	11 : 103
Norway	405 : 452	Belgium & Luxembourg	71 : 12
United Kingdom	53 : 295	West Germany	193 : 75
Ireland	56 : 46	Switzerland	520 : 1,434
Netherlands	21 : -	Spain	48 : 116
West Germany	11 : 13	Tunisia	93 : -
Switzerland	12 : 4	Other	22 : 13
Australia	107 : 63	Total	980 : 1,753
New Zealand	- : 31		
Other	5 : 45		
Total	767 : 970		
	One Sucker		Green River
	:		:
Trinidad & Tobago	13 : 13	United Kingdom	628 : 1,022
Belgium & Luxembourg	7 : 190	Ireland	- : 105
France	- : 389	Belgium & Luxembourg	118 : -
Canary Islands	26 : -	Liberia	16 : -
Nigeria	107 : 45	Madagascar	- : 240
Madagascar	- : 928	Other	9 : 68
Other	5 : -	Total	771 : 1,435
Total	158 : 1,565		
	Black Fat		Cigar Wrapper
	:		:
Bahamas	3 : 3	Canada	39 : 79
Netherlands Antilles	8 : 7	Brazil	- : 12
Canary Islands	22 : 4	Denmark	11 : 28
Cameroon	36 : -	Netherlands	58 : 53
French W. Africa	115 : 329	Belgium & Luxembourg	45 : 109
Gold Coast	89 : 293	West Germany	349 : 475
Nigeria	374 : 643	Canary Islands	29 : -
Western Portuguese	:	Other	29 : 54
Africa	18 : -	Total	560 : 810
Other	6 : 61		
Total	671 : 1,340		
			Cigar Filler
			:
		Netherlands	29 : -
		Gibraltar	8 : -
		Indochina	110 : -
		Other	- : 3
		Total	147 : 3

Cigar Binder		Trimmings, Stems & Scrap	
Country	Jan-March	Country	Jan-March
	1954 : 1955		1954 : 1955
	1,000 : 1,000		1,000 : 1,000
	pounds : pounds		pounds : pounds
Canada	49 : 22	Cuba	- : 80
Sweden	38 : 5	Sweden	150 : 165
Denmark	3 : -	Norway	41 : 81
Netherlands	- : 15	Denmark	42 : 58
Belgium & Luxembourg	57 : 12	Netherlands	12 : 2
West Germany	173 : 264	West Germany	51 : 202
Australia	21 : -	Spain	- : 91
Other	6 : 11	Jordan	71 : 45
Total	347 : 329	French Morocco	132 : 100
		Tangier	97 : -
		Canary Islands	9 : 19
		Other	47 : 185
		Total	652 : 1,028
Total Cigar Leaf			
Canada	88 : 101		
Brazil	- : 12		
Sweden	38 : 16		
Denmark	14 : 28		
Netherlands	87 : 68		
Belgium & Luxembourg	102 : 121		
West Germany	522 : 739		
Gibraltar	8 : -		
Indochina	112 : -		
Australia	22 : -		
Canary Islands	29 : -		
Other	32 : 57		
Total	1,054 : 1,142		
Perique			
Norway	- : 11		
United Kingdom	33 : 62		
Other	- : 3		
Total	33 : 76		



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 31-55

June 22, 1955

## LARGER SYRIAN TOBACCO ACREAGE AUTHORIZED FOR 1955

A total of 21,757 acres have been authorized by the Syrian Tobacco Monopoly for tobacco production in 1955. This is an increase of 21 percent as compared to the 1954 harvested acreage and is almost 54 percent above the area harvested in 1953. Most of the increase is authorized for semi-oriental tobacco used principally for domestic consumption. A much smaller acreage is authorized for Abu-Riha or Latakia tobacco, which is produced primarily for export.

Tobacco production in Syria in 1954 is now placed at 13.2 million pounds, almost 38 percent above the 1953 crop. Output of Latakia totaled 5.2 million pounds in 1954 or 90 percent more than the 1953 harvest. Planting of this type of tobacco for the 1954 crop was permitted only in the higher altitudes where conditions are more favorable for producing good-quality tobacco than in the coastal areas. This action, along with favorable weather, resulted in considerably higher yields as compared to the previous year. An increase in exportable stocks of Latakia leaf from 6.6 million pounds at the end of 1953 to 8.8 million in 1954 has caused a reduction in the acreage authorized for planting in 1955 to 3,700 acres as compared to almost 5,200 acres harvested in 1954 -- a cut of 29 percent.

Output of Samsun and Baffra varieties of oriental tobacco increased from 700,000 pounds in 1953 to 1,350,000 pounds in 1954. Since the local demand for this tobacco is expanding, a larger output is planned for 1955 as indicated by an increase in the authorized acreage from 2,100 in 1954 to 3,200 this year.

The semi-oriental crop harvested in 1954 was estimated by the Tobacco Monopoly at 5.8 million pounds from about 9,500 acres, as compared with a crop of 5.6 million pounds from 7,000 acres in 1953. The lower yield per acre in 1954 was officially attributed to adverse weather conditions. Acreage devoted to semi-oriental leaf tobacco has progressively increased during the last three years and the 14,000 acres authorized for the 1955 crop is double the 1953 area harvested. Almost all of this tobacco is used locally in the manufacture of cigarettes.

In 1954, the output of Hasan Kayf, a chewing and oriental pipe tobacco grown almost exclusively for export to Egypt, was 20,000 pounds. Efforts on the part of the Tobacco Monopoly to maintain production of this type of leaf at higher levels have not been successful and only one-third of the 75 acres authorized in 1954 was planted. Acreage for planting in 1955 is again authorized at 75 acres.

Estimates place the 1954 harvest of Tombac, used domestically for smoking in water pipes, at slightly over 800,000 pounds -- almost 50 percent above the 1953 crop. As a result of an accumulation of stocks of this tobacco in the hands of the Tobacco Monopoly, the acreage authorized for planting in 1955 is set 35 percent below the 1,040 acres harvested in 1954.

Syria: Acreage and production of tobacco by kind, 1953 and 1954, and authorized acreage, 1955

Kind	:	1953	:	1954	:	1955
	:	1,000	:	1,000	:	
	:	<u>Acres</u>	:	<u>Acres</u>	:	<u>Acres</u> <sup>1/</sup>
	:		:		:	
Oriental and Semi-Oriental	:		:		:	
Abu-Riha	) - -	6,314	:	5,189	:	5,236
Samsun and Baffra	)		:	718	:	1,353
Semi-Oriental	:	7,035	:	5,560	:	9,511
Hasan Kayf	:	37	:	31	:	25
Tombac	:	783	:	560	:	1,040
Total	:	14,169	:	9,625	:	17,910
	:		:		:	13,247
	:		:		:	21,757

<sup>1/</sup> Authorized for planting by Tobacco Monopoly.

Prepared in the Foreign Agricultural Service from reports of Agricultural Attaches and other U. S. representatives abroad.

### Exports

Syria's exports of leaf tobacco in 1953 totaled 2.65 million pounds, sharply below the level of the two previous years. In the first nine months of 1954, shipments totaled 2.4 million and were somewhat above the quantity moved in the same period in 1953. The United States has been the most important market for Syrian tobacco in recent years, taking more than three-fourths of the leaf exports since 1950. Lebanon and the United Kingdom take most of the remainder.

Exports of Tombac in the January-September period of 1954 amounted to 725,000 pounds. This was well above the annual shipments of 490,000 pounds in 1953 and 280,000 in 1952, but was about equal to the 1951 level. Most of the exports of Tombac go to Lebanon, with Egypt being the second most-important market.

Syria: Exports of leaf tobacco by country of destination;  
calendar years 1951-53, January-September 1954

Country	1951	1952	1953	Jan-Sept. 1954
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
United States	7,121	5,503	2,273	1,775
Lebanon	231	362	174	383
United Kingdom	150	110	60	128
Other	88	130	143	152
Total	7,590	6,105	2,650	2,438

Prepared in the Foreign Agricultural Service from reports of  
Agricultural Attaches and other U. S. representatives abroad.

Imports

Imports of leaf tobacco in the first nine months of 1954 amounted to 900,000 pounds and, for the year, will probably equal or exceed the 1953 level, when more than 1.1 million pounds were received. About 660,000 pounds of tobacco was received from Japan in the first three quarters of 1954, accounting for 73 percent of total purchases up to that time. In recent years, prior to 1954, however, most of the leaf imports were from Lebanon, Turkey and Greece.

Foreign trade in manufactured tobacco products is negligible except for the importation of cigarettes. About 92,600 pounds of cigarettes were imported in the first nine months of 1954, as compared to 63,900 pounds in calendar year 1953, and 79,400 pounds in 1952. The United States is the principal supplier of imported cigarettes, having shipped more than 80 percent of the 1954 quantity, while the United Kingdom furnished the rest.

Syria: Imports of leaf tobacco by country of origin; calendar years  
1951-53, January-September 1954

Country	1951	1952	1953	Jan-Sept. 1954
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Lebanon	324	566	265	243
Turkey	104	82	344	-
Greece	37	82	243	-
Japan	-	-	66	661
Other	38	50	209	-
Total	503	780	1,127	904

Prepared in the Foreign Agricultural Service from reports of  
Agricultural Attaches and other U. S. representatives abroad.

# Output of Manufactured Tobacco

Cigarette production in Syria has shown a steadily rising trend in recent years in response to an increasing domestic demand. Output of cigarettes reached 3.9 million pounds in 1954, 8 percent above the 1953 production and 90 percent above the average output in the 1940-49 period. In view of the increased production of cigarette tobacco for domestic consumption, the rising trend in output and consumption of cigarettes is expected to continue.

Output of cut tobacco in 1954 is placed at 1.7 million pounds according to the estimates of the Syrian Tobacco Monopoly. While this was 12 percent below the 1953 level, output and consumption of cut tobacco has shown a rising trend since 1950.

Output of Tombac in 1954 is estimated at almost 900,000 pounds, about three times the level maintained in the four years just preceeding. A part of this production was probably exported.

Syria: Output of manufactured tobacco products,  
average 1940-49, annual 1950-54

Year	: Cigarettes	: Cut Tobacco	: Tombac
	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:
1940-49	: 2,064	: 1,455	: 476
1950	: 2,989	: 1,296	: 291
1951	: 3,201	: 1,243	: 291
1952	: 3,466	: 1,667	: 317
1953	: 3,624	: 1,958	: 291
1954	: 3,915	: 1,720	: 899
	:	:	:

Prepared in the Foreign Agricultural Service  
from data of the Syrian Ministry of National  
Economy and Tobacco Monopoly.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

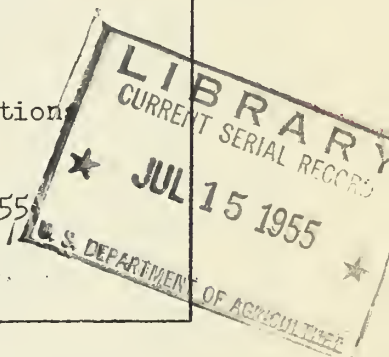
FT 32-55

June 27, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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Revision in Chart of U.S. and World Tobacco Exports  
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### Revision in Chart of U.S. and World Tobacco Exports

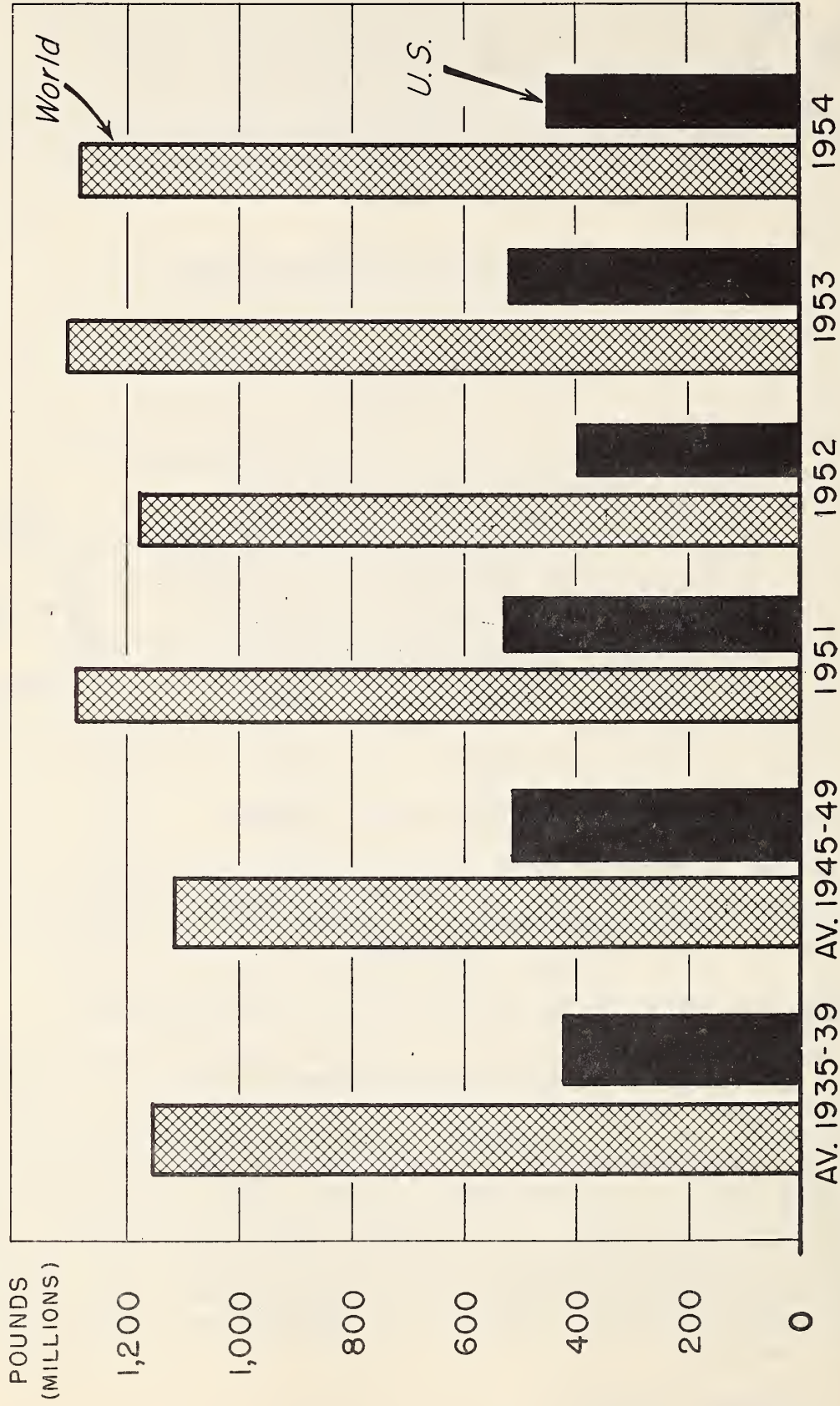
Tobacco Circular FT 25-55, "World Tobacco Trade Increases in 1954," contained a bar chart showing U.S. and world exports of tobacco in which the 1945-49 average was mislabeled as 1935-39. The corrected version of this chart is shown on the following page.

### Rhodesian Flue-cured Prices up From 1954; Yield Estimate Rises

The average price received for Southern Rhodesian flue-cured tobacco sold in the early part of this marketing season is about 20 percent higher than the average obtained in a similar period of last year. A total of 29.5 million pounds was sold at auctions in the first 7 weeks (March 15 - April 28) of the current marketing season for an average of 42.11 pence (49.13 U.S. cents) per pound, as compared with 35.23 pence (41.1 U.S. cents) received in a similar period last year. The increase in price is reported to be chiefly due to considerably higher prices paid for medium and low quality grades, although the quality of leaf offered in the first part of this marketing season is probably higher than in the previous season. Prices paid for the better quality grades are reported to be slightly lower than in the similar period last year.

(Continued on page 3)

# TOBACCO: TOTAL WORLD AND UNITED STATES EXPORTS



The average price received for flue-cured leaf from Northern Rhodesia in the first part of this marketing season is well above that of 1954. Sales of Northwestern Rhodesian flue-cured tobacco through the first week of May brought an average of 43.6 pence (50.9 U.S. cents) per pound, more than 25 percent above the average price for a similar period last year.

Early in 1954, prices of Rhodesian medium and low-grade flue-cured were very low, but, as the marketing season progressed, prices increased considerably. In the current season, prices of these grades started at much higher levels than last year and are not expected to increase, but may show some decline before the end of the season.

Prices paid for Rhodesian leaf are very important to the U.S. tobacco farmer as well as to U.S. tobacco exporters, as Rhodesian flue-cured is the number one competitor of U.S. leaf in world markets.

If the price trends noticeable in the Rhodesian market in the first few weeks continue throughout the year, the medium and lower grades of U.S. flue-cured will be in a somewhat better competitive position in some world markets than was the case in 1954 when prices of these grades of Rhodesian tobacco were very low.

Latest estimates for the Southern Rhodesian flue-cured crop, which has just been harvested, now place the crop at 114 million pounds as compared with a previous estimate of 109.7 million. In recent years, the final production figures for Rhodesian flue-cured have consistently exceeded the output previously estimated.

On the basis of present estimates, this year's harvest of flue-cured leaf in the Central African Federation (Southern Rhodesia, Northern Rhodesia, and Nyasaland) is expected to total almost 125 million pounds. This is approximately 8 million pounds less than the 1954 output, but is 40 percent above the 1947-51 average.

Central African Federation: Production of flue-cured  
in recent years (farm sales weight)

Area	1947-51	1954	Estimate 1955 1/
	Million pounds	Million pounds	Million pounds
Southern Rhodesia.....	82.1	120.3	114.0
Northern Rhodesia			
North West.....	1.3	5.2	4.8
North East.....	3.1	2.8	2.2
Nyasaland.....	2.7	4.3	3.7
Total Central African Federation.....	89.2	132.6	124.7

1/ The harvest period is January - May

Canada's Flue-cured Crop Down From 1954

Flue-cured tobacco production in Canada in 1955 is now expected to total approximately 130 million pounds from 95,000 acres. Such an output would be a reduction of about one-fourth from the record harvest of 172.6 million pounds in 1954, but would be more than 16 percent above the 1947-51 level.

Members of the Ontario Flue-Cured Marketing Association were authorized to plant their full base acreage of 120,000 acres in 1954. While it is estimated that only 110,000 acres were planted by members of the Association, more than 6,000 acres were grown outside the Association in Ontario and slightly less than that were planted in other Provinces, mainly in Quebec. In 1955, acreage for members of the Ontario Association was set at 70 percent of the base allotment. The reduction in acreage is primarily due to the difficulty encountered in moving the extremely large 1954 crop. In January, between 12 and 14 million pounds of the lower quality leaf was still in the hands of the growers. However, it is reported that this tobacco has been disposed of since.

The average yield per acre of flue-cured tobacco in Canada was more than 1,400 pounds per acre in 1954. . . the third successive year in which yields in the main producing area of Ontario have reached or exceeded this level. More than 15 percent of the crop was irrigated in 1954 and an increasing number of farms are being equipped with supplemental irrigation systems. It is estimated that the acreage irrigated in 1955 can be more than double the 1954 figure in the event of a dry season.

In 1954, only 60 percent of the Ontario Burley Growers planted their full allotted acreage, and production of Burley amounted to 5 million pounds from about 3,300 acres. No estimates as to acreage or production for 1955 are available, but it is expected that more farmers will plant their allotments and that output will increase accordingly.

Cigar tobacco production in 1955 is expected to increase as compared with last year as the result of a 5-percent increase in cigar consumption in 1954. Output of this type amounted to 5 million pounds last season from about 4,100 acres.

Canada: Acreage and production of tobacco by type, average  
1935-39 and 1947-51, annual 1953-54

Type	1935-39	1947-51	1953	1954
Acreage	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Flue-cured.....	51	98	96	122
Burley.....	9	8	1	3
Cigar.....	4	4	3	4
Other.....	5	3	1	2
Total.....	69	113	101	131
Production	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Flue-cured.....	54,616	111,646	132,352	172,606
Burley.....	10,749	10,040	1,709	5,000
Cigar.....	5,102	5,000	3,830	5,000
Other.....	6,089	2,759	1,299	1,550
Total.....	76,556	129,445	139,190	184,156

Yugoslav Tobacco Exports to Soviet Bloc Increase

Significant quantities of Yugoslavian fermented leaf tobacco have been shipped to various countries of the Soviet Bloc in the second half of 1954 and first quarter of 1955. New bilateral agreements were signed between Yugoslavia and East Germany, U.S.S.R., and Czechoslovakia after July 1, and by the end of the year these countries had taken more than 2.1 million pounds of fermented tobacco valued at \$1,225,000. These exports accounted for 16.6 percent of total quantity and 18.2 percent of total value of fermented leaf exports from Yugoslavia for the year. Since January 1, bilateral agreements have been completed with other Soviet Bloc countries, and these countries have been meeting their agreement quotas.

Yugoslavia's exports of fermented leaf tobacco in 1954 amounted to 12.8 million pounds valued at \$6.7 million. France received about 3.3 million pounds at a cost of \$1.6 million, and the United States took almost 3.2 million pounds valued at \$2 million. Other important outlets in addition to the Iron Curtain countries were West Germany and Austria, which took 1.4 and 1 million pounds, respectively. In addition to the fermented leaf exports, Yugoslavia shipped more than 2.6 million pounds of unfermented leaf tobacco, all of which was taken by Italy.

Total tobacco production in Yugoslavia amounted to 64.4 million pounds in 1954. Oriental tobacco accounted for 37.7 million pounds or about 59 percent of the total; 16.5 million pounds or 26 percent was semi-oriental; and the remainder was dark air-cured cigar tobacco. Production in 1955 is expected to be considerably higher than in 1954, as the Yugoslav Tobacco Institute is attempting to increase production as rapidly as possible in order to meet new commitments to the Iron Curtain countries as well as to retain other markets.

### Tobacco Exporters Buying Heavily in Maryland Auctions

Tobacco dealers who normally buy for export have been buying heavily on the Maryland Auction Market, which opened May 3 this year. Export customers are an important outlet for Maryland leaf as they have paid about 23 cents out of each dollar the Maryland farmer has received for tobacco and taken about 17 percent of the crop during the last 5 years.

### West German Cigarette Output Up 12 Percent

According to information contained in Die Tabak-Zeitung (Tobacco Gazette-Mainz) of April 22, output of cigarettes in West Germany during the first 3 months of 1955 totaled 9.9 billion pieces--up 12 percent from the 8.7 billion produced during the corresponding period of 1954.

Output of American-type blended (including filter-tip) made up about 78 percent of total output during the period January-March, 1955, against more than 90 percent during 1951. Output of oriental-type cigarettes continued upward through March, and amounted to 16.7 of the total produced during that month--compared with only 4.3 percent in 1951. Straight Virginia-type accounted for 1.5 percent, and dark-type cigarettes from 3 to 4 percent of the total. Output of filter-tip cigarettes (believed to be largely American-type blended) increased to 8.4 percent of total cigarette production--compared with only 2.3 percent in 1951.

There were 4 new brands of cigarettes introduced during March 1955. Three of the brands were oriental-type - "Arabis," "Club" and "Senat." The first 2 retail at 166.6 pfennigs per package of 20 (39.6 U.S. cents), and the other brand at 200.0 pfennigs (47.5 U.S. cents). The fourth new brand is a cork filter tip, "H. B. Kronenfilter - American Blend," which retails at 166.6 pfennigs (39.6 U. S. cents).

### German Trade Mission Expected in Rhodesia

A delegation of West German commercial, industrial, and Government representatives is expected to visit the Rhodesian Federation during the month of May at the invitation of the Federation Government. West Germany is a substantial buyer of Rhodesian tobacco, and for some time the balance of trade has been in favor of the Federation. This group will make a close study of the Central African market for German exporters in order to increase their sales in the area.

### U.K. Exports of Cigarettes Up in First Quarter of 1955

Exports of cigarettes by the United Kingdom increased in the first quarter of 1955 to 11.1 million pounds, compared with 10.3 million shipped during the corresponding part of 1954. Commonwealth countries took most of the increase, as shipments to them increased from 7.5 million pounds in the January-March period of 1954 to 7.9 million during the first 3 months of 1955. This may be a reversal of the downtrend in the United Kingdom exports of cigarettes, which had dropped from 45.1 million pounds in 1952 to 38.6 million in 1954.

Exports of Turkish Tobacco Higher in 1955

Turkey's exports of unmanufactured tobacco increased sharply during the first quarter of 1955 to 47.9 million pounds compared with 25.3 million shipped in the same period during 1954. Continued shipments at this rate would probably result in much larger tobacco exports this year than in 1954 and possibly reach the 1953 level of 158.1 million pounds.

Much of this increase is in shipments to the Soviet Bloc, which reached 19.2 million pounds during the first 3 months of this year compared with 8 million and 24.6 million pounds respectively for the whole years 1953 and 1954. Exports to Austria, Spain, Italy, and Switzerland are larger in the first quarter of 1955 than total exports to these countries during 1954. Shipments to the United States are smaller, 5.5 million pounds compared to 8.1 million in the first 3 months of 1954.

TURKEY: Exports of unmanufactured tobacco

Country of Destination	1953	1954 1/	Jan.-Mar. 1955 1/
	1,000	1,000	1,000
	pounds	pounds	pounds
United States .....	72,115	64,944	5,490
West Germany .....	22,347	12,221	7,124
Soviet Bloc 2/ .....	7,962	24,624	19,214
Great Britain .....	10,251	10,766	280
Belgium .....	5,655	2,961	1,412
Finland .....	3,330	2,443	1,318
France .....	4,447	4,969	1,052
Sweden .....	1,649	3,049	396
Egypt .....	9,505	4,487	1,559
Austria .....	3,615	2,107	2,639
Spain .....	1,880	3/	441
Italy .....	6,821	1,496	4,440
Switzerland .....	3,055	943	1,653
Other .....	5,456	4,091	870
Total .....	158,088	139,101	47,888

1/ Preliminary figures.

2/ East Germany, Czechoslovakia, Poland, Hungary, Bulgaria, and Soviet Union during 1953 and 1954. Bulgaria and U.S.S.R. not recorded in first 3 months of 1955.

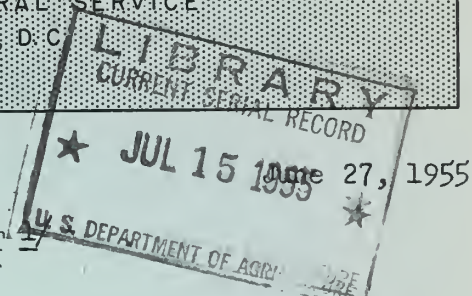
3/ If any, included in other.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 33-55

THE AUSTRIAN TOBACCO MARKET

## Outlook for United States Leaf

1. Prospects for United States leaf tobacco in the Austrian market will be affected to a great extent by the government's foreign economic policy. Consumer preference for products containing United States leaf is not as firmly established in Austria as it is in many of the other European countries. Changes in products offered to the public by the monopoly can be effected without regard to consumer demand. Austria has traditional ties with the Balkans and Eastern Europe and there is a system of trading arrangements now in effect covering the importation of tobacco from these areas. Any strengthening of these trading ties with nearby tobacco-producing countries almost certainly would reduce takings of United States leaf. During the postwar period, however, the United States' share in the Austrian market has been much larger than in prewar--about 30 percent compared with 5 percent. Under present conditions, it appears that imports from this country will be well-maintained, and may increase slightly.

2. The level of imports of United States leaf also will be governed by trends in cigarette output. This in turn, depends significantly on the level of retail prices fixed by the Tobacco Monopoly. (Between 1948 and 1953, average retail prices for cigarettes declined 35 percent, and output increased 60 percent. On January 1, 1954, cigarette prices were increased about 16 percent on the average, and output during 1954 was almost 10 percent below the 1953 figure.)

3. Demand for, and use of, United States tobaccos also will be affected by the trend in types of cigarettes produced. The Monopoly has been aggressively pushing sales of the modified oriental type. These brands which contain from 30-40 percent United States leaf, now account for more than one-half of all cigarette sales. (The modified oriental type of cigarette is a postwar development. In prewar years, nearly all cigarettes produced in Austria were the straight-oriental.)

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1/ Based partially on observations made by R. A. Owen, Director, Tobacco Division, F.A.S. while on a recent survey trip to Europe, and partially on material available in F.A.S. files. The assistance of the American Embassy officials in Vienna is acknowledged.

4. Limited amounts of United States fire-cured leaf will continue to be imported, for use in a special type of cigar which has been popular with the Austrians for many years.

### Summary

Austria historically has depended on imports for most of its supply of unmanufactured tobacco. Domestic tobacco production, which averaged less than 100,000 pounds prewar, increased to an average of about 1.5 million pounds in recent years and now accounts for 6-8 percent of total annual requirements. Usings of unmanufactured tobacco reached a post-war high of about 22.4 million pounds in 1953, but declined to 20.6 million in 1954, following an increase in retail prices of tobacco products.

Imports of unmanufactured tobacco increased from about 16 million pounds prewar to a high of 22.8 million in 1953, and then declined to 16.7 million in 1954. Since 1948, the United States has accounted for about 30 percent of total imports in contrast to less than 5 percent prewar. The post-war shift to increased imports of United States leaf has resulted from: (1) a very substantial increase in cigarette consumption; and (2) Monopoly promotion of a modified oriental type of cigarette, which contains from 30 to 40 percent United States leaf. (In prewar, straight oriental cigarettes made up virtually all of the output.)

Increases in cigarette consumption through 1953 resulted primarily from successive retail price reductions by the Monopoly, aimed at curbing illegal sales of cigarettes. Nevertheless, illegal sales of cigarettes, particularly in the low-priced categories, have continued. They were estimated at 300 million pieces in 1953, and 600 million in 1954, following price increases for legal cigarettes made in January, 1954.

### The Austrian Tobacco Monopoly

The tobacco industry in Austria is controlled by a government-owned and operated monopoly, originally founded by Emperor Joseph II in May 1784. It has complete control over all phases and activities of the tobacco industry. Retail sales of tobacco products are permitted only in special-licensed shops.

The Austrian Monopoly has been reorganized several times in recent years -- most recently through the passage in 1949 of a "Tobacco Monopoly Law," the main features of which were:

- (1) re-establishment of a full federal Tobacco Monopoly;
- (2) vesting power of control over the Monopoly in the Federal Ministry of Finance;
- (3) charging the "Austria Tabakverke A. G. vormals Oesterreichische Tabakregie" with the administration of the Tobacco Monopoly;
- (4) establishment of rigorous penal measures to be adopted in the event of violations of the Monopoly Law.

One of the implied features of the law was that the Monopoly no longer requires a permit for the importation of tobacco and tobacco products, and, therefore, was no longer required to pay customs duty upon its imports.

The Austrian Tobacco Monopoly has two subsidiaries, one having jurisdiction over the domestic culture of tobacco and the other over purchases of oriental types of unmanufactured tobacco. The Tabakeinloeseund Fermentationsgesellschaft, which is comprised of five agencies in the regions of production, issues planting licenses, makes planting contracts and furnishes seed for all contracted acreages. It also accepts delivery of the domestic crop and fixes in advance of the current crop plantings the grade and producer price schedules for indigenous Hungarian, Burley and Virginia tobacco.

The Austria Einkaufsorganisation der Oesterreichischer Tabakregie in Orient, M. B. H., the other subsidiary company of the Monopoly which purchases oriental tobacco is also located in Vienna, but has branch offices in Salonika, Greece and Istanbul, Turkey.

### Tobacco Production

Austrian leaf tobacco production which averaged about 100,000 pounds in prewar years increased to an average of about 1.5 million in the last few years. Production in 1954 is estimated at about 1.2 million pounds.

Production in 1953 was comprised of about 23 percent Burley and Virginia tobaccos, about 20 percent cigar tobaccos, and 57 percent pipe and chewing tobaccos. The types of tobacco grown in Austria are Hungarian, Burley, Virginia, Carmen Cita, Havana, Geudertheimer and other types of less importance, still in experimental stages. The Monopoly is placing more emphasis on increased production of Virginia and Burley tobaccos for use in cigarettes. The acreage of the Hungarian types and cigar tobaccos, such as Havana and Geudertheimer, has been declining. Hungarian type tobaccos are used primarily in production of pipe and chewing tobacco. In 1951 for the first time the lighter leaves were used in the production of cigarettes. The better leaves of the cigar tobaccos are used as fillers while the poorer leaves and stems go into pipe mixtures and chewing tobacco.

### Trade

Austrian foreign trade in tobacco consists mainly of imports of leaf tobacco. Exports of leaf and manufactured tobacco and imports of manufactured tobacco are relatively insignificant and are handled by the Monopoly.

Imports of unmanufactured tobacco increased from a prewar annual average of 17.0 million pounds to 22.8 million pounds in 1953, but declined to 16.7 million in 1954. Since 1948, most of the imports have been from the United States and the oriental tobacco-producing countries of Greece and Turkey. Brazil and Yugoslavia are important sources of leaf, while significant quantities are obtained from such countries as Southern Rhodesia, India, and the Dominican Republic. In prewar, supplies were obtained primarily from Hungary, Bulgaria, Greece, Turkey and Indonesia. Flue-cured tobacco is being supplied by both Southern Rhodesia and India, as substitutes for United States leaf.

Austria: Imports of unmanufactured tobacco:  
averages 1935-39 and 1947-51; annual, 1951 through 1954 1/

Country of Origin	: 1935-39 : average 2/ : 1,000 : pounds	: 1947-51 : : average : : 1,000 : pounds	: 1951 : : 1,000 : pounds	: 1952 : : 1,000 : pounds	: 1953 : : 1,000 : pounds	: 1954 : : 1,000 : pounds
United States	: 826	: 5,465	: 5,804	: 6,267	: 7,930	: 4,228
Turkey	: 2,133	: 2,157	: 2,694	: 3,873	: 4,261	: 1,565
Greece	: 3,123	: 3,824	: 4,889	: 5,836	: 5,649	: 6,512
Bulgaria	: 2,670	: 692	: -	: -	: 662	: 1,102
Hungary	: 4,790	: 587	: 1,504	: -	: -	: -
Yugoslavia	: 3/	: 1,458	: 3,198	: 1,654	: 990	: 992
Dominican Republic	: 128	: 650	: 356	: 673	: 692	: 476
Cuba	: 139	: 113	: 49	: 49	: 48	: 105
Brazil	: 228	: 938	: 960	: 1,077	: 796	: 257
Indonesia	: 2,185	: 44	: 7	: -	: 48	: 97
Italy	: 295	: 246	: -	: 220	: 344	: 14
Southern Rhodesia	: 3/	: 139	: 243	: 543	: 530	: 550
Other	: 538	: 1,291	: 1,434	: 4/3, 249	: 4/ 811	: 4/ 814
Total	: 16,955	: 17,604	: 21,138	: 21,439	: 22,761	: 16,712

1/ Includes commercial and ECA/MSA shipments.

2/ Less than a 5-year average, 1935 through 1938.

3/ If any, included in other.

4/ Largely India.

The postwar shift towards United States leaf was the result of increased demand for the blended and modified-oriental types of cigarettes and smoking mixtures containing high percentages of United States leaf; the availability of United States tobacco at prices below those for leaf from other sources of supply; and the country's ability, with United States assistance, to finance imports from this country. Imports from the United States, which averaged only 0.8 million pounds during 1935-39, increased to an average of 6.6 million in 1951-53. A decline to 4.2 million, however, occurred in 1954.

Imports of semi-oriental tobacco from Yugoslavia have been declining because of reduced sales of the "Donau" cigarette, caused partly by a shift in consumer preference to other brands of cigarette containing larger percentages of United States tobacco than the "Donau." Imports of oriental tobaccos from Greece and Turkey have been increasing, due to increased sales of the modified-oriental type of cigarette, which probably contain, on the average, about 50 percent oriental leaf.

Austrian imports of non-United States tobacco, since World War II have been stimulated by trading arrangements made with a number of countries, including Bulgaria, Greece, Yugoslavia, Brazil, India and Indonesia. United States tobacco will continue to face the competition of tobacco from those countries

because of Austria's drive to encourage two-way trade with them, and because of close commercial ties which have been developed over a long period of time.

No official data are available regarding imports of leaf tobacco into Austria by types. United States export data furnish a clue as to the breakdown of Austria's imports from this country. Flue-cured has comprised about two-thirds of the postwar exports. Burley has ranked next in importance. Fire-cured and cigar leaf have been of lesser importance. United States export figures, particularly during the period 1951-54, were considerably under Austria's reported imports from this country. This apparent discrepancy may be accounted for because of in transit shipments and movement into bond destined ultimately for Austria, which are recorded in United States statistics as destined to other countries. To this extent, United States export figures to Austria are understated.

United States: Exports of unmanufactured tobacco to Austria, by types; averages 1935-39 and 1947-51; annual, 1951 through 1954.

Type	: 1935-39 : Average	: 1947-51 : Average	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Flue-cured	: 12	: 3,043	: 2,097	: 3,380	: 2,055	: 1,254
Burley	: 17	: 774	: 1,136	: 1,204	: 850	: 365
Ky.-Tenn. fire- cured:	: 29	: 43	: 49	: 20	: -	: 28
Va. fire-cured	: 92	: 244	: 420	: 416	: 215	: 64
Maryland	: 52	: 24	: 25	: -	: -	: 9
Other	: <u>2/</u> 3	: <u>2/</u> 356	: <u>3/</u> 344	: <u>3/</u> 157	: <u>3/</u> 178	: <u>3/</u> 204
Stems, Trimming: and Scrap	: -	: 34	: -	: -	: -	: -
Total	: 205	: 4,518	: 4,071	: 5,177	: 3,298	: 1,924

1/ Preliminary

2/ Mainly cigar leaf.

3/ Cigar leaf.

Source: Census Records, United States Department of Commerce.

Since the war Austria has been a net importer of tobacco products. Trade centers principally around cigarettes, imports of which come principally from the United States. However, small quantities of cigarettes and most imports of other products come from Switzerland. The principal export markets for cigarettes and cigars have been Australia and Trieste.

Exports of unmanufactured tobacco are insignificant. Exports to Germany are regular shipments of oriental tobaccos to the Monopoly's branch factory in Munich. This branch factory purchases its requirements of United States leaf direct.

As pointed out in the "outlook," the future of United States tobacco in Austria depends to a great extent upon the purchasing policy of the government, which is conditioned by a number of economic and political factors. With the trend in cigarette consumption definitely running towards brands containing high percentages of United States leaf, it is probable that imports of leaf from this country will be well-maintained, and may increase slightly.

#### Utilization of Leaf and Output of Products

Factory usings of unmanufactured tobacco increased steadily from the low point reached in 1947, and by 1951 exceeded prewar. In 1953, usings reached 22.4 million pounds, but declined to 20.6 million in 1954 due to lower cigarette output. Tobacco used in cigarettes, however, last year amounted to 16.8 million pounds compared with 10.5 million in prewar--an increase of 60 percent. Tobacco used in cigarettes represented roughly one-half of the prewar total usings of tobacco; in 1954, it represented 82 percent. The quantities of leaf used in the manufacture of all other kinds of tobacco products have declined substantially since prewar.

Austria: Utilization of unmanufactured tobacco by manufacturers:  
averages 1935-39 and 1947-51; annual, 1947 through 1954.

Year	: Cigarettes	: Cigars	: Smoking Tobacco 1/	: Other	: Total
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds
1935-39 Av.	: 10,529	: 1,264	: 8,934	: 787	: 21,514
1947-51 Av.	: 13,038	: 745	: 2,133	: 146	: 16,062
1947	: 8,775	: 641	: 434	: 66	: 9,916
1948	: 11,669	: 739	: 974	: 97	: 13,479
1949	: 11,376	: 793	: 3,010	: 158	: 15,337
1950	: 15,807	: 804	: 3,130	: 199	: 19,940
1951	: 17,563	: 750	: 3,115	: 211	: 21,639
1952	: 18,466	: 728	: 3,003	: 183	: 22,380
1953	: 18,607	: 815	: 2,778	: 169	: 22,369
1954	: 16,773	: 848	: 2,812	: 147	: 20,580

1/ Includes both pipe and cigarette tobacco.

Source: Austria Tabakwerke A. G. vorm Oesterreichische Tabakregie for 1935-47; subsequent years are F.A.S. estimates.

Output of cigarettes in 1954 totaled 6.4 billion pieces, compared with the 1935-1939 average of 4.9 billion--an increase of 31 percent. Output has not increased in proportion with the increase in leaf used, since Austrian cigarettes in recent years have contained more tobacco than in prewar. Output of all other products in 1954 was well below prewar, with the following percentage declines evident: Cigars, 19 percent; pipe mixtures, 63 percent; cigarette tobacco (for "roll-your own" cigarettes), 82 percent; snuff, 80 percent, and chewing tobacco, 69 percent.

Austria: Output of tobacco products; averages 1935-39  
and 1947-51; annual, 1947 through 1954

Year	Cigarettes	Cigars	Other Tobacco Products				Estimated Total 1/
			Pipe	Cigarette	Snuff	Chewing	
	million pieces	million pieces	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	4,878	96	6,496	2,387	194	615	21,068
1947-51 Av.	4,982	69	2,064	107	53	175	14,103
1947	3,353	59	442	2/	34	69	8,558
1948	4,459	68	989	3	63	89	11,687
1949	4,347	73	3,036	1	58	188	13,660
1950	6,040	74	2,968	220	54	256	17,584
1951	6,711	69	2,857	313	54	275	19,007
1952	7,056	67	2,632	426	49	236	19,588
1953	7,110	75	2,411	418	40	224	19,544
1954	6,409	78	2,418	426	38	191	18,028

1/ Totals are FAS estimates. 2/ Less than 500 pounds.

Sources: Austrian Statistical Yearbook and Austria Tabakeverke A. G. vorm.  
Oesterreichische Tabakregie.

Consumption of Tobacco Products

Data on sales by retailers licensed by the Monopoly are not available. However, the Monopoly's sales to retailers may serve as a fair indication of the movement of tobacco products through legal channels to consumers. Monopoly sales of tobacco products not only represent sales of the products which are produced in the Monopoly's own factories, but net imports for domestic consumption, confiscated black market products, stocks of gift products of foreign manufacture, etc.

Austria: Consumption of tobacco products, as indicated by Monopoly sales to retailers; averages 1935-39 and 1947-51; annual, 1947 through 1954

Year	Cigarettes	Cigars	Other Tobacco Products				Estimated Total 1/
			Pipe	Cigarette	Snuff	Chewing	
	million pieces	million pieces	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	4,879	120	6,629	2,349	196	591	21,402
1947-51 Av.	4,880	63	2,016	100	52	170	13,621
1947	3,136	57	454	4	33	71	7,490
1948	3,923	72	924	2	55	88	10,382
1949	4,781	60	2,813	2	60	168	14,244
1950	5,953	58	3,027	161	57	249	17,236
1951	6,609	66	2,863	330	54	272	18,751
1952	6,912	72	2,646	415	50	239	19,333
1953	7,130	76	2,486	413	43	219	19,666
1954	6,329	77	2,332	408	40	199	17,747

1/ Totals are FAS estimates. Sources: Austrian Statistical Yearbook and Austria Tabakeverke A. G. vorm. Oesterreichische Tabakregie.

Estimated total consumption of legal tobacco products was about 3.7 million pounds under the prewar level during 1954. Consumption of cigarettes last year, however, was up about 30 percent as compared with prewar. Larger consumer demand, reductions in retail prices made since the early postwar years, and taste preferences have been responsible for the substantial increase in cigarette consumption. Total consumption of cigarettes is estimated to be slightly higher than the official sales of the Monopoly to retailers. Consumption of cigarettes, including the quantity moving through black market channels, in 1954, is estimated at about 6.9 billion pieces in 1954, compared with 7.4 billion in 1953. (The drop reflects increases in prices made in January 1954, which reduced legal sales of cigarettes about 800 million pieces from 1953 -- from 7.1 billion to 6.3 billion). It is believed that black market sales in 1954, primarily one brand, smuggled from behind the Iron Curtain, amounted to about 600 million pieces last year, compared with only 300 million in 1953.

The shift in consumer demand from straight oriental cigarettes to modified-oriental types continued through 1954. The modified-oriental cigarette probably contains from 30-40 percent United States leaf (largely flue-cured together with some Burley and Maryland) with most of the balance oriental leaf. This type of cigarette thus has some of the characteristics of the straight flue-cured and American-type blended. Other types of cigarettes produced in Austria include: American-type blended, straight oriental and "other blended." Sales of American-type blended amount to only 1-2 percent of the total and straight oriental about 10-12 percent. The "other blended" contain a mixture of tobaccos, and the blend appears to vary considerably from year-to-year, in accordance with fluctuating prices for leaf of different origins.

Consumption of products other than cigarettes remains well below the prewar level. The trend in the case of pipe mixtures, snuff, and chewing is definitely downward. For cigars and cigarette tobacco consumption was relatively stable for the years 1952-54.

#### Retail Prices and Taxation

Retail prices of tobacco products are fixed by law. Average retail prices have been increased substantially since prewar. The rise can be attributed to higher labor costs, and increases in prices of leaf and other raw materials. Since 1947, retail prices of cigarettes were reduced a number of times, to meet stiff competition from illegal cigarettes smuggled into the country. In 1947 the average retail price for a package of 20 cigarettes was 8.3 schillings. This declined to 4.9 schillings during 1953, but increased to 5.4 schillings in 1954. According to the most recent available information, average retail prices of other products, however, have risen rather steadily since 1947. During 1954, the average price for the two leading brands of cigarettes was 3.6 schillings (14 U. S. cents) and 6.0 schillings (23 U. S. cents) respectively.

Austria: Average retail prices of tobacco products; averages  
1935-39 and 1947-51; annual, 1947 through 1954

Year	Schilling	Schilling	Schilling per Kilogram			
	per Piece	per 20				
	Cigars	Cigarettes	Pipe	Cigarette Tobacco	Snuff	Chewing
1935-39 Av.	.17	.9	8.6	40.8	2.0	5.9
1947-51 Av.	.76	6.1	62.9	175.2	16.9	21.5
1947	.52	8.3	44.8	41.4	14.4	14.7
1948	.61	7.5	65.0	124.4	17.9	20.0
1949	.77	5.2	64.6	191.3	17.5	23.7
1950	.94	4.8	68.3	259.1	17.3	22.2
1951	.94	4.7	72.0	260.0	17.3	26.8
1952	.95	4.8	72.5	260.0	17.2	32.3
1953	1/	4.9	1/	1/	1/	1/
1954	1/	5.4	1/	1/	1/	1/

1/ Not available. Note: Figures represent weighted average retail sales value.

Sources: Statistisches Handbuch and Consular Reports.

Tax receipts from tobacco products increased along with rising sales through 1953. There was a decline in 1954, however, due to curtailed sales of cigarettes. Actual revenues collected on tobacco products in 1954 fell about 10 percent short of expected returns, as a result of consumer resistance to the higher retail prices made necessary by tax increases. Revenues from tobacco are derived from a reconstruction tax, a production tax in the form of a license fee paid by growers, a stamp tax, a transaction tax, import duties and a license duty on imports.

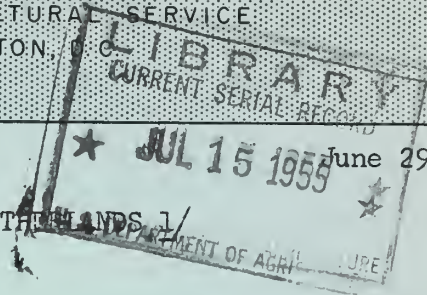
Tobacco revenues have declined in relation to total government revenues since 1947. They represented less than 6 percent of total revenues during 1954. The Austrian Government, however, has indicated a belief that tobacco revenues should represent from 10 to 12 percent of total revenues during normal times. The 1954 sales experience indicates a consumer resistance to higher retail prices and points to the possibility that a point of maximum tax yields may have been approached. In fact, there is a noticeable trend towards low-priced cigarettes despite an upward movement in wages and income.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 34-55

## THE TOBACCO MARKET IN THE NETHERLANDS 1/

### Outlook for United States Leaf

1. The Netherlands is the third-largest foreign outlet for United States leaf tobacco. Imports from this country averaged 29.7 million pounds during the years 1953-54, compared with the prewar (1935-39) average of 17.9 million. Imports of tobacco from the "dollar" area were freed from quantitative restrictions in early 1954. Although import licenses are still necessary, exchange is freely granted to cover purchases of United States leaf.
2. Prospects are favorable for continued large imports of United States leaf, particularly the cigarette types. (During the years 1953-54, flue-cured accounted for about 80 percent of total imports of United States leaf; Burley and Maryland, combined, 5 percent.)
3. The level of imports of United States cigarette leaf is closely tied in with trends in cigarette output. This has more than doubled since the prewar period. (Estimated at 10.9 billion pieces in 1954, compared with an average of 4.0 billion during 1935-39.) Further increases are expected, although not at the rate of recent years.
4. The straight flue-cured cigarette remains the most popular type, accounting for around 60 percent of total cigarette consumption, according to trade sources. This type of cigarette, however, has lost ground over the past two years, and the American-type blended has gained in importance, moving from around 18 percent to 35 percent of total sales. (During the immediate prewar period, blended cigarettes held about 60 percent of the market.) Blended cigarettes are reported to contain from 15-30 percent Burley tobacco. The Dutch market for this type of leaf should show definite improvement if the trend towards blended cigarettes continues.
5. The price factor is of great importance. Dutch manufacturers report that prices paid for medium and lower-quality grades of United States leaf are somewhat higher than for similar grades of leaf grown elsewhere, and leaf costs must be closely watched. They have found, however, that excessive quantities of substitute flue-cured (chiefly Southern Rhodesian, Indian and Italian), and other tobaccos, resulted in lower-quality products.

1/ Based partially on observations made by R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, who recently returned from a survey trip to Western Europe, and partially on material available in the files of the Tobacco Division. The assistance of officials of the American Embassy at the Hague, the Consulate at Amsterdam, and members of the Dutch tobacco trade is acknowledged.

During the past year or so, the proportionate usings of substitute tobacco, in place of United States leaf has declined. The trend is definitely towards increased use of United States leaf to provide flavor and aroma. Substitute leaf is used primarily for color.

6. Demand in the immediate future probably will be favorable for United States fire-cured leaf, used principally in smoking mixtures. Consumption of smoking tobacco, however, is declining slowly but steadily. Cigar tobacco imports from the United States, chiefly wrappers and binders, are expected to decline slowly as larger supplies become available in Indonesia.

### Summary

The Netherlands produces practically no tobacco for commercial purposes. Import trade is relatively free of restrictions, customs duties are low, and facilities for storage and inspection of tobacco are among the best on the continent of Europe. Consequently, the Netherlands has developed an important reshipping and re-export business - principally with other continental European countries. Total movement of tobacco through the Netherlands market, however, has not been as large as in prewar, principally due to much lower availabilities from Indonesia. Movement of United States leaf through the Netherlands market - primarily for domestic use is in excess of prewar.

Practically all of the Indonesian leaf entering world trade is sold on the Netherlands' auction or inscription markets in Amsterdam and Rotterdam. Sales by inscription of Indonesian tobaccos several times a year tend to center sales of other types of cigar leaf in the Netherlands. Currently, the Netherlands is rebuilding its international center for trade in the various tobaccos from all parts of the world. The Dutch trade is attempting to offer every type of tobacco either on its own account or through its relations with foreign producers or trading companies. (Details of movement of leaf, by channels of trade, are discussed in subsequent paragraphs.)

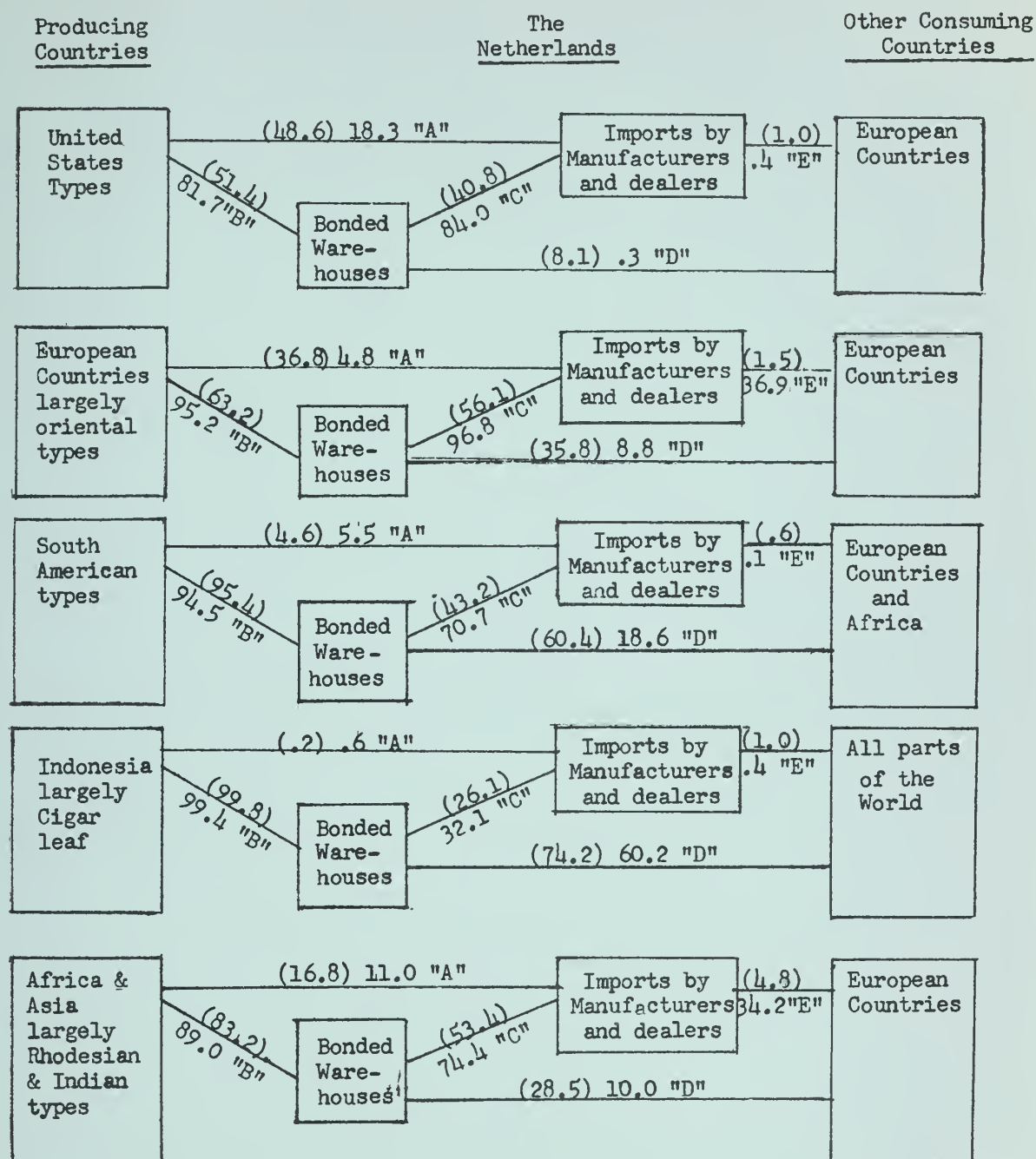
Utilization of tobacco in Dutch factories has increased more than 3 million pounds since prewar. Output of cigarettes rose from an average of 4.0 billion in 1935-39 to about 10.9 billion in 1954.

Output of cigars and smoking tobaccos are still below prewar. Two excise tax reductions, plus the suspension of import license fees and turn-over (sales) tax for a two-year period ending May 27, 1956 has aided the cigar industry to improve its sales. Smoking tobacco continues to decline slowly. Since the largest use of United States leaf is in cigarettes, any increases in output and consumption of this product has favorable implications for imports of cigarette leaf from this country.

### Trade

The channels of trade in the Netherlands are quite complicated. Tobacco moves into the country by three methods: (1) movement into bonded warehouses (for subsequent reshipment to other countries without payment of

Figure 1. Channels of leaf tobacco trade on the Netherlands Markets: percentage distribution of tobacco shipped direct to manufacturers, through bonded warehouses, re-exports and re-shipped to other countries, by kinds of tobacco, 1936-38<sup>1/</sup> compared with 1953-54. 1/



Legend:

- A. Shipped direct and imported by manufacturers and dealers.
- B. Entered bonded warehouses
- C. Withdrawn from bonded warehouses and imported
- D. Withdrawn from bond and re-shipped to foreign countries.
- E. Re-exports of duty-paid leaf.

<sup>1/</sup> Percentages for 1936-38 are in parentheses and method of presentation was cited from "The Market for American Tobacco in the Netherlands," by P. G. Minneman, June 1939.



customs duties or for subsequent duty-paid withdrawals by domestic dealers and manufacturers, primarily for local manufacturing purposes); (2) direct duty-paid imports by dealers and manufacturers, without bonded storage; and (3) "in transit" shipments, moving through the Netherlands, which do not appear in the trade figures (See Figure 1.).

The approximate movement of all tobacco through the Netherlands' market during 1953 and 1954 was as follows: Movement into bond averaged about 100 million pounds, and direct imports by dealers and manufacturers averaged 10 million, resulting in a total movement into the Netherlands of about 110 million pounds (160 million pounds prewar). Quantities withdrawn from bond for reshipment to foreign countries averaged about 26 million pounds. Quantities withdrawn from bond, duty paid, by dealers and manufacturers, averaged 70 million pounds. Gross takings, duty-paid, by the Netherlands trade, therefore averaged about 80 million pounds (10 direct plus 70 withdrawn from bond). But of the average 80 million pounds of gross imports, 11 million were re-exported, resulting in a net importation of some 69 million pounds available to the Netherlands tobacco industry.

Gross takings of United States tobacco averaged 29.7 million pounds (direct imports plus withdrawals from bond) during 1953 and 1954. Since re-exports were negligible, the 29.7 million-pound figure represented the average quantities of United States leaf imported and retained in the Netherlands. Flue-cured accounted for 23.6 million pounds (80 percent); Kentucky-Tennessee fire-cured, 4.2 million (14 percent); Burley, 1.1 million (4 percent); other types, 0.7 million (2 percent). In prewar years, when imports from this country averaged 17.9 million pounds, flue-cured accounted for 9.3 million pounds (52 percent); Kentucky-Tennessee fire-cured, 6.1 million (34 percent); Burley, 0.4 million, (2 percent); and all others, 2.1 million (12 percent). The big decline since prewar has occurred in Maryland leaf, exports of which averaged 1.9 million during 1935-39, and less than 0.4 million in 1953-54. (For details on movement of leaf tobacco through the Netherlands market, see Tables 1-3 at end of this circular.)

Data covering United States exports to the Netherlands are shown below. These data include tobacco that moves through the Netherlands "in transit" to other countries. Such "in transit" shipments do not appear in Netherlands trade statistics. Netherlands' import figures, therefore, are smaller than reported United States' export figures to that country.

United States: Exports of unmanufactured tobacco to the Netherlands,  
by types; averages, 1935-39 and 1947-51; annual, 1951 through 1954

Type	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 : :	: 1952 : :	: 1953 1/ : :	: 1954 1/ : :
	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :
Flue-cured	: 9,490 :	: 23,672 :	: 16,422 :	: 26,796 :	: 29,819 :	: 29,914 :
Burley	: 1,000 :	: 2,896 :	: 1,311 :	: 956 :	: 857 :	: 2,000 :
Kentucky-Tennessee	: 4,832 :	: 3,964 :	: 4,695 :	: 7,084 :	: 5,368 :	: 4,507 :
Virginia Fire-	: :	: :	: :	: :	: :	: :
cured	: 455 :	: 589 :	: 128 :	: 6 :	: 125 :	: 424 :
Maryland	: 1,833 :	: 557 :	: 373 :	: 378 :	: 441 :	: 431 :
One-Sucker	: 14 :	: 262 :	: 38 :	: 27 :	: 139 :	: 85 :
Green River	: 37 :	: 243 :	: 208 :	: 348 :	: 739 :	: 177 :
Cigar Leaf 2/	: 80 :	: 811 :	: 678 :	: 507 :	: 527 :	: 312 :
Other	: 29 :	: 7 :	: 3 :	: 2 :	: 1 :	: - :
Stems, Trimmings	: :	: :	: :	: :	: :	: :
& Scrap	: 20 :	: 353 :	: 465 :	: 147 :	: 64 :	: 241 :
Total	: 17,790 :	: 33,354 :	: 24,321 :	: 36,251 :	: 38,080 :	: 38,091 :
	: :	: :	: :	: :	: :	: :

1/ Preliminary. 2/ Mainly wrapper and binder. Note: These figures, apparently include "in transit" shipments moving through the Netherlands.

Source: Bureau of the Census, Department of Commerce.

The United States has been a more-important supplier of leaf to the Netherlands' market during the postwar period. During the period 1947-51, when tobacco production was extremely low in Indonesia, the United States supplied an average of 30.9 million pounds - or 50 percent of the total. Increased supplies in 1954 from Indonesia and other areas in Africa and Asia, resulted in a reduction in the United States' share of the import market to about 40 percent. During the prewar (1935-39) period, the United States accounted for only about 27 percent of the Netherlands' imports.

Indonesian leaf, which accounted for 39 percent of total imports during the period 1935-39, was of much less importance during the postwar period. This was not due to any lack of a market for all available supplies from that source, but rather to sharply curtailed export availabilities in Indonesia stemming from wartime and postwar dislocations. Cigar leaf exports from Latin-American countries were stepped up to partially fill the gap.

Sharp increases from the prewar level have occurred in imports of oriental tobacco, and leaf from African and Asian sources (largely India and Southern Rhodesia). A large proportion of these tobaccos, particularly oriental, have been re-exported, after passing through the Netherlands' customs.

The Netherlands maintains an active import and export trade in tobacco products. Imports of cigars, cigarillos and smoking mixtures have been obtained largely from Belgium. Imports of cigarettes are mostly from Belgium, with the

remainder coming from the United Kingdom and United States. The Netherlands' principal export outlets for cigars and cigarillos are Belgium, the Union of South Africa and Indonesia. The latter is also the chief market for smoking tobacco. Malaya and Surinam take significant quantities. Cigarettes have been moving principally to Australia, Germany and Belgium.

Netherlands: Trade in manufactured tobacco products; averages  
1935-39 and 1947-51; annual 1951-54

Year	Imports			Exports		
	Cigarettes	Cigars & Cigarillos	Smoking Mixtures 1/	Cigarettes	Cigars & Cigarillos	Smoking Mixtures 1/
	million pieces	million pieces	million pounds	million pieces	million pieces	million pounds
	:	:	:	:	:	:
1935-39 Av.	433.7	.8	1.4	10.2	19.2	6.1
1947-51 Av.	225.4	10.8	1.0	544.4	54.6	2.5
1951	399.7	19.2	2.0	1,080.7	79.1	3.3
1952	390.0	14.1	.6	289.9	105.4	3.1
1953	372.8	22.6	.1	428.8	139.6	2.2
1954	491.5	20.6	.1	214.9	164.4	2.0
:	:	:	:	:	:	:

1/ Includes small quantities of chewing tobacco and snuff.

#### Utilization of Leaf and Output of Products

Utilization of leaf tobacco in Dutch factories is believed to have slightly exceeded the prewar average during 1954. Leaf usings last year are estimated at some 69.0 million pounds compared with 66.4 million prewar. The pattern of leaf usings has changed materially. Leaf used in cigarettes is more than double the prewar average, but the quantities used in cigars and smoking tobacco remain below 1935-39. There have been sharp increases in cigar leaf usings, however, during the past two years. Utilization of leaf in cigarette manufacture has been climbing steadily since the end of World War II. Leaf for smoking tobacco manufacture is declining from its postwar peak of 1951.

Netherlands: Estimated quantities of unmanufactured tobacco used in the production of the various products; averages 1935-39 and 1947-51, annual 1951 through 1954

Year	Cigarettes	Cigars 1/	Smoking Tobacco 2/	Total
:	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
:	:	:	:	:
1935-39 Av. 3/	11,200	26,050	29,180	66,430
1947-51 Av.	17,240	11,269	22,345	50,854
1951	21,411	10,730	25,236	57,377
1952	22,017	12,813	24,978	59,808
1953	24,178	16,918	23,808	64,904
1954 4/	26,500	19,000	23,500	69,000
:	:	:	:	:

1/ Includes cigarillos and Entre Actos, "small cigars." 2/ Includes chewing tobacco and snuff. 3/ Partially estimated. 4/ Rough estimate.

Output of cigarettes increased from an average of about 4.0 billion during 1935-39 to an estimated 10.9 billion in 1954. There are three principal types of cigarettes manufactured in the Netherlands: (1) the straight flue-cured or "English" type; (2) American-type blended; and (3) oriental. During the immediate prewar period, the trend was definitely towards American-type blended cigarettes. This trend was interrupted by the war and postwar dislocations and the straight flue-cured has been easily the most-popular type during the postwar period. The blended cigarette is now staging a comeback and within the past two years has risen from 18 percent to 35 percent of the market. Straight flue-cured remains the most popular, however, accounting for about 60 percent of total output. Oriental cigarettes definitely have lost ground, and make up less than 5 percent of the market, compared with around 20 percent just prior to World War II.

Output of cigars and cigarillos totaled 1,541 million pieces, on the average, during 1935-39. During 1947-51, output averaged only 950 million, but increased considerably during the past 2 years to between 1,200 and 1,300 million pieces. Output of smoking tobacco, which averaged more than 28 million pounds in 1935-39, declined to less than 24 million pounds during 1953-54.

Netherlands: Output of tobacco products; averages  
1935-39 and 1947-51; annual 1951 through 1954

Year	: Cigarettes	: Cigars 1/	: Smoking Tobacco
	: million	: million	: 1,000
	: <u>pieces</u>	: <u>pieces</u>	: <u>pounds</u>
	:	:	:
1935-39 Av.	: 4,042	: 1,541	: 28,373
1947-51 Av.	: 6,819	: 950	: 23,841
1951	: 8,844	: 811	: 24,595
1952	: 9,066	: 899	: 25,377
1953	: 9,956	: 1,187	: 24,188
1954 2/	: 10,900	: 1,300	: 23,700
	:	:	:

1/ Includes cigarillos and Entre Actos, "small cigars".

2/ Rough estimate.

### Consumption and Retail Prices

Postwar consumption of tobacco products in the Netherlands has followed the same general pattern existing in most European countries, namely, a decline in consumption of cigars and a sharp increase in cigarette smoking. Cigar consumption during most of the postwar period was affected also by the limited supplies of suitable leaf available in Indonesia and relatively high retail prices. Consumption of smoking tobacco, while still high on a per capita basis, has declined since prewar. In 1954, per capita consumption, by products, was as follows, with prewar shown in parentheses: cigarettes, 1,065 pieces (519); cigars and cigarillos, 94 pieces (177); smoking tobacco, 2.1 pounds (2.8).

Netherlands: Consumption of tobacco products; averages  
1935-39 and 1947-51; annual 1951 through 1954

Year	Cigars	Cigarillos	Cigarettes	Smoking Tobacco
	million <u>pieces</u>	million <u>pieces</u>	million <u>pieces</u>	1,000 <u>pounds</u>
1935-39 Av.	1,153	370	4,465	23,730
1947-51 Av.	679	192	6,632	22,270
1951	596	124	8,442	23,382
1952	690	121	9,472	22,954
1953	783	112	10,134	22,139
1954	850	145	11,296	21,786

Retail prices for all products have increased substantially since prewar. The largest relative price increases have been in the case of smoking tobaccos and cigars. Small reductions in cigar prices (following excise tax reductions) became effective in 1952 and 1953. Cigar prices in 1954 were about 10 percent below those for 1951 and these price reductions acted as a stimulant to consumption. Average retail prices for the various tobacco products in 1954 were as follows: Cigars, 19.1 Dutch cents (5.02 U.S. cents) each; cigarillos, 10.4 Dutch cents (2.74 U.S. cents) each; cigarettes, 80 Dutch cents (21.0 U.S. cents) per package of 20; and smoking tobacco, 14.3 florins per kilogram (1.71 U.S. dollars per pound) 1/.

### Taxation

Import duties on leaf tobacco imported into the Netherlands are quite low -- 3.8 U.S. cents per pound. Importers, however, are required to pay a license fee of 0.6 percent of the import value of the leaf, and a turnover tax of 4 percent, calculated either on the price the importer charges the manufacturer, or on the import value. Excise taxes are levied on manufactured products as a percent of the retail price.

The excise tax is paid by the manufacturer or importer through the purchase of bands which must be placed on the packages. The retail price is printed on these bands. Therefore, the manufacturer or importer has to fix the price beforehand. Excises are the same on both imported and domestic products.

1/ The official exchange rate during 1954 was 1 Florin (100 Dutch cents) equalled 26.3 U.S. cents.

Netherlands: Excise tax levied on the various manufactured tobacco products for specified years

Year Rate : Became : Effective :	Cigars : Percent	Cigarillos & "Entre Actos" : Percent	Cigarettes : Percent	Smoking Tobacco : Percent
1934 : 12.5		17.5	50.0	22.5
1940 : 20.0		25.0	50.0 + 10.0 <u>1/</u>	30.0 + 100.0 <u>1/</u>
1941 : 20.0 + 100.0 <u>1/</u>		25.0 + 100.0 <u>1/</u>	50.0 + 100.0 <u>1/</u>	30.0 + 100.0 <u>1/</u>
1944 : 20.0 + 200.0 <u>1/</u>		25.0 + 200.0 <u>1/</u>	50.0 + 200.0 <u>1/</u>	30.0 + 300.0 <u>1/</u>
1946 : 20.0 + 40.0 <u>1/</u>		25.0 + 40.0 <u>1/</u>	50.0 + 40.0 <u>1/</u>	30.0 + 40.0 <u>1/</u>
1948 : 27.0		33.0	62.0	30.0
1952 : 14.0 to 20.0 <u>2/</u>		20.0	62.0	40.0
1954 : 14.0		20.0	62.0	40.0

1/ Surtax. 2/ Excise tax payable depended upon the weight per unit - 14 percent of the retail price for cigars weighing less than 3 kilograms per 1,000 and 20 percent above 3 kilograms per 1,000.

The turnover (sales) tax on the various tobacco products at retail has fluctuated since prewar. During 1938, the turnover tax amounted to about 4 percent of the retail value on all tobacco products, except cigarettes, compared with 3 to 8 percent on all tobacco products during 1952 and 1953. During 1954, the turnover tax on all tobacco products amounted to 4 percent. Wholesalers paid one percent of the sales price, inclusive of the excise, if delivered to retailers. Retailers paid the other 3 percent. At present, a new general turnover tax is being considered. This would consist of a single levy of 5 percent of the retail price to be paid by the manufacturer or importer. Under this system the wholesaler or retailer would not have to pay a sales tax. On May 27, 1954, the Dutch Government suspended import fees and turnover taxes on cigars for a two-year period.

Revenues derived by the Government from import duties, license fees, excises and turnover taxes (including sales) on tobacco amounted to about 4.7 percent of total Government revenues collected during the period 1949-53.

Table 1 - NETHERLANDS: Foreign trade in unmanufactured leaf tobacco through bonded warehouses, by types, averages, 1935-39 and 1947-51, annual 1951 through 1954

TYPE	1935-39 Average		1947-51 Average		1951		1952		1953		1954	
	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
	1,000 pounds		1,000 pounds		1,000 pounds		1,000 pounds		1,000 pounds		1,000 pounds	
Indonesian:												
Sumatra	24,200	20,584	4,926	2,251	8,005	3,845	6,056	5,948	5,459	4,980	7,974	4,947
Java	69,992	54,458	10,958	4,427	21,296	8,668	14,469	12,357	22,463	13,728	30,959	16,967
Other Indonesian	2	13	37	7	33	26	29	4	33	33	-	26
Total Indonesian	94,192	75,055	15,921	6,685	29,328	12,539	20,554	18,309	27,955	18,741	38,933	21,940
United States:												
Seed Leaf	111	103	309	145	342	2	328	2	269	27	161	9
Maryland	729	115	440	25	243	-	201	-	295	-	181	13
Kentucky	1,457	195	913	1	851	-	4,345	-	4,171	-	2,886	4
Burley	-	-	1,138	112	553	-	112	2	243	-	1,693	-
Virginia	7,416	1,507	10,832	131	11,206	22	10,728	26	17,837	29	19,722	101
Total United States	9,713	1,920	13,632	414	13,195	24	15,714	30	22,815	56	24,643	127
American:												
Cuban	1,638	948	587	71	681	84	520	46	1,217	205	1,146	154
Brazilian	18,904	9,315	7,409	2,286	10,650	2,743	4,879	2,535	10,514	1,012	8,051	1,440
Paraguayan	1,976	1,001	602	239	809	730	483	536	381	24	580	238
Other American	3,854	4,124	6,701	4,170	3,955	2,196	1,651	2,037	1,764	926	2,355	1,138
Total American	26,372	15,388	15,299	6,766	16,095	5,753	7,533	5,154	13,876	2,167	12,132	2,970
European	4,662	1,796	4,328	173	3,613	267	2/4,654	214	2/6,995	481	3,834	522
African & Asiatic	3,914	1,424	7,826	1,037	11,499	1,111	21,352	2,888	23,342	2,211	21,219	2,800
Total leaf	138,853	95,583	57,006	15,075	73,730	19,694	69,807	26,595	94,983	23,656	100,761	28,359
Stripped leaf	-	-	111	3	452	15	106	68	712	2	653	82
Stalks & waste	128	12	615	113	1,241	57	952	163	1,687	343	2,260	373
GRAND TOTAL	138,981	95,585	57,732	15,191	75,423	766	70,865	26,826	97,382	24,001	103,674	28,814

1/ Withdrawn from bond and re-shipped to foreign countries. Doesn't include withdrawn from bonded warehouses and imported. 2/ Includes Soviet bloc. Source: Central Bureau of Statistics - Maandstatistiek van de in-, uit-en doorvoer per goederensoort

Table 2 - Netherlands: Gross imports of unmanufactured leaf tobacco, by types, direct and from bonded warehouses; averages 1935-39 and 1947-51, annual 1951 through 1954

Country and Type	: Average : : 1935-39 : : Pounds	: Average : : 1947-51 : : Pounds	: 1951 : : Pounds	: 1952 : : Pounds	: 1953 : : Pounds	: 1954 1/ : Pounds
<u>Indonesia:</u>	:	:	:	:	:	:
Sumatra	: 3,332	: 1,370	: 1,241	: 1,929	: 1,642	: 1,867
Java	: 23,195	: 3,512	: 4,619	: 5,666	: 6,874	: 11,195
Other	: 5	: 2/ 14	: 13	: 15	: 7	: 4
Total Indonesia	: 26,532	: 4,888	: 5,873	: 7,610	: 8,523	: 13,066
<u>United States:</u>	:	:	:	:	:	:
Seedleaf (cigar)	: 169	: 501	: 441	: 335	: 313	: 370
Maryland	: 1,921	: 582	: 397	: 229	: 300	: 476
Kentucky	: 6,135	: 3,630	: 5,183	: 3,587	: 4,123	: 4,356
Burley	: 356	: 2,402	: 710	: 516	: 567	: 1,642
Virginia	: 9,309	: 23,825	: 22,233	: 15,315	: 20,170	: 27,039
Total United States	: 17,890	: 30,939	: 28,964	: 19,982	: 25,472	: 33,883
<u>Latin American:</u>	:	:	:	:	:	:
Cuba	: 958	: 801	: 745	: 430	: 822	: 1,268
Brazil	: 9,486	: 5,373	: 5,236	: 5,134	: 6,735	: 9,376
Paraguay	: 1,305	: 445	: 536	: 205	: 556	: 688
Other American	: 250	: 3,134	: 1,790	: 397	: 496	: 1,019
Total American (including U.S.)	: 29,889	: 40,692	: 37,271	: 26,148	: 34,081	: 46,234
<u>European:</u>	:	:	:	:	:	:
Bulgarian	: 1,449	: 332	: 110	: -	: 4	: 40
Greek	: 3,081	: 663	: 1,422	: 1,896	: 2,055	: 2,191
Other 4/	: 1,616	: 4,858	: 3,748	: 2,851	: 3,574	: 3,697
Total European	: 6,146	: 5,853	: 5,280	: 4,747	: 5,633	: 5,928
<u>African &amp; Asiatic:</u>	:	:	:	:	:	:
Algerian	: 195	: 3/ 248	: 282	: 152	: -	: -
Turkish	: 1,784	: 1,940	: 2,745	: 8,287	: 8,757	: 8,366
Other African & Asiatic 5/	: 1,890	: 5,211	: 9,462	: 9,934	: 13,459	: 12,176
Total African & Asiatic	: 3,969	: 7,350	: 12,489	: 18,373	: 22,216	: 20,542
Tobacco Stems & Waste	: 914	: 2,580	: 2,374	: 1,766	: 1,347	: 1,583
Stripped Leaf	: -	: 214	: 714	: 115	: 511	: 681
Grand Total	: 67,450	: 61,577	: 64,001	: 58,759	: 72,311	: 88,034

1/ Preliminary. 2/ Two-year average only, 1949 and 1951. No imports during 1947, 1948 and 1950. 3/ Four-year average only, 1948-51. 4/ Largely Italy. 5/ Believed to be largely Southern Rhodesia, India and Nyasaland.

Source: Central Bureau of Statistics - Maandstatistiek van de in-, uit-, en doorvoer per goederensoort.

Table 3 - Netherlands: Re-exports of duty-paid unmanufactured leaf tobacco by types: averages 1935-39 and 1947-51; annual 1951 through 1954

Country & Type	Average : 1935-39	Average : 1947-51	1951	1952	1953	1954
	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds
Indonesia:						
Sumatra	240.5	33.9	37.5	39.7	46.3	41.9
Java	550.2	74.1	114.6	242.5	105.8	90.3
Other	-	5.7	4.4	-	-	-
Total Indonesia	790.7	113.7	156.5	282.2	152.1	132.2
United States:						
Seedleaf (cigar)	95.2	46.3	37.5	8.8	-	-
Maryland	-	-	-	-	19.8	-
Kentucky	-	51.1	-	-	-	2.2
Burley	105.8	-	-	-	2.2	22.0
Virginia	26.1	104.5	-	-	-	46.3
Total United States	227.1	201.9	37.5	8.8	22.0	70.5
Latin American:						
Cuba	48.9	17.6	-	-	-	4.4
Brazil	146.0	45.4	28.7	52.9	4.4	15.4
Paraguay	-	109.5	63.9	-	-	-
Other	-	173.3	183.0	6.6	11.0	2.2
Total Latin American	194.9	345.8	275.6	59.5	15.4	22.0
European:						
Bulgarian	21.2	-	-	-	-	-
Greece	42.3	285.3	1,397.7	1,574.1	1,635.8	1,693.1
Other	119.9	168.0	83.8	765.0	687.8	183.0
Total European	183.4	453.3	1,481.5	2,339.1	2,323.6	1,876.1
African & Asiatic:						
Algerian	-	-	-	-	-	-
Turkish	127.0	459.9	2,034.8	7,116.4	7,852.8	7,603.7
Other African & Asiatic	21.2	223.1	754.0	330.7	1,430.8	216.0
Total African & Asiatic	148.2	683.0	2,788.8	7,447.1	9,283.6	7,819.7
Total Leaf	1,544.3	1,797.7	4,739.9	10,136.7	11,796.8	9,920.7
Stripped Leaf	-	56.4	101.4	121.3	189.6	152.1
Stalks & Waste	1,432.5	345.3	429.9	242.1	194.0	86.0
Total Unmanufactured Tobacco	2,976.8	3,199.4	5,271.2	10,507.1	12,180.4	10,158.8

Source: Central Bureau of Statistics - Maandstatistiek van de in-, uit-en doorvoer per goederensoort.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE

WASHINGTON, D. C.  
CURRENT SERIAL RE

★ JUL 15 1955

FT 35-55

July 6, 1955

THE TOBACCO TRADE OF HONG KONG 1/

## Summary

Hong Kong is a fairly important market for unmanufactured tobacco as well as for tobacco products. Most of the unmanufactured leaf is supplied by the United States, India, China and Southern Rhodesia. Purchases from the United States have remained at approximately 3.5 million pounds annually in the last few years. Demand for United States Burley is strong and imports are increasing, while purchases of United States flue-cured have tended to decline in the face of increasing competition from other areas. India has rapidly increased its sales of both leaf and scrap. It is difficult to ascertain how much of this leaf is used in Hong Kong and how much is re-exported. Shipments from British Central Africa (the Rhodesias) have increased greatly since 1952 and takings from this area may continue to expand. Imports from China and Macao have increased in the last two years, but are still well below the levels prior to 1950.

The United States and the United Kingdom are the chief suppliers of cigarettes. This is an important market for ships' stores and re-exports. There is a downward trend in imports of cut tobacco, which have come principally from the United Kingdom, the United States and Macao. In 1954, Macao supplied more than half the total.

The unusually large amounts of leaf passing through Hong Kong in 1951 were shipments from India, a large percentage of which was re-exported to Macao and China. Macao receives more than 50 percent of the leaf and scrap re-exported from Hong Kong. Germany (Western) is back on the market and is receiving increasing amounts of leaf re-exports from this port.

Exports of cigarettes in the past three years have been considerably below the 1950-51 level and were only one-fifth the 1938 shipments. Historically, the principal markets for Hong Kong's cigarette exports were China, Malaya and Macao. Macao is still an important market, but exports to the other two countries have almost stopped in recent years. This was partly offset by greatly increased exports to the United States Trust Territory in the Pacific in both 1953 and 1954. These islands are good markets for United States cigarettes, and shipments to these areas are likely to continue to increase.

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1/ Mr. James W. Birkhead has just returned from a study of tobacco production and trade in eight countries of the Far East, Australia and New Zealand. The main objectives were to analyze and evaluate foreign competitive production and U. S. export prospects.

The four cigarette factories in Hong Kong use over 5 million pounds of leaf tobacco per year. Since 1952, when production of American-type blends was started, output has expanded greatly and demand continues to increase. While accurate data are not available, it is believed that approximately 2.8 million pounds of imported cigarettes were consumed locally in 1954.

#### Imports of Unmanufactured Tobacco

Hong Kong imported 7.9 million pounds of leaf tobacco in 1954, which is slightly below that of 1953, but 34 percent above the 1952 level. The United States continues to be the largest supplier of leaf tobacco - a position which it has held since World War II. Prior to that time it was second only to China. The amounts received from China and Macao dropped sharply after 1949, but have been rising in the last three years. India's shipments have increased steadily for a number of years. The United States supplied 3.5 million pounds in 1954, while India accounted for 2.8 million pounds. Macao and China supplied 771,000 and the Central African Federation (Southern Rhodesia, Northern Rhodesia and Nyasaland) furnished 626,000 pounds. Takings from the latter area represent a large increase from the 15,000 pounds supplied in 1952 and 59,000 pounds in 1953.

Imports of Burley have been increasing in recent years. United States' shipments of Burley to Hong Kong in 1954 were 582,000 pounds as compared to 353,000 in 1953, 38,000 in 1952 and only 4,000 pounds in the 1947-51 period. With the increasing demand for American-type blends, imports of Burley are likely to continue to rise. Shipments of flue-cured leaf from the United States to Hong Kong in 1954 amounted to 2.9 million pounds, as compared to 3.7 million in the previous year and an average of 4.3 million from 1947 to 1951. While United States' flue-cured leaf is preferred, the competition from other areas has been increasing in recent years and may be expected to continue.

Imports of stems, scrap and cigar shorts amounted to 263,000 pounds in 1954, which was 3 percent lower than in 1953, but 11 percent more than in 1952. India is now the principal supplier of stems and scrap, which formerly were supplied largely by the United States.

#### Hong Kong: Percentage of total leaf imports from the four principal suppliers, 1938 (prewar), 1953 and 1954

Country	: 1938	: 1953	: 1954
	: Percent	: Percent	: Percent
United States	: 24.8	: 49.2	: 44.9
India	: 4.5	: 33.0	: 35.6
China	: 60.8	: 7.6	: 4.0
Macao	: 1.3	: 5.6	: 5.5
Other	: 8.6	: 4.6	: 10.0
Total	: 100.0	: 100.0	: 100.0

Hong Kong: Imports of unmanufactured tobacco by country of origin, 1938 (prewar), and annual 1950-54

Country of origin	: 1938	: 1950	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
Leaf tobacco:	:	:	:	:	:	:
United States	: 2,921:	4,580:	3,489	: 3,585:	3,962:	3,540
India	: 537:	2,712:1/	16,332	: 1,607:	2,655:	2,813
China	: 7,155:	953:	99	: 360:	609:	319
Macao	: 158:	426:	108	: 56:	448:	436
Central Africa (British)	: - :	- :	-	: 15:	59:	626
Philippines	: 335:	6:	4	: 5:	9:	5
Other	: 667:	32:	98	: 241:	309:	153
Total	: 11,773:	8,709:	20,130	: 5,869:	8,051:	7,892
Stems, scrap, etc:	:	:	:	:	:	:
India	: - :	- :	3,125	: 41:	206:	247
United States	: - :	771:	1,573	: 181:	24:	-
Macao	: 18:	12:	-	: 3:	24:	16
Other	: 15:	- :	447	: 12:	16:	-
Total	: 33:	783:	5,145	: 237:	270:	263
Total unmanufactured	: 11,806:	9,492:	25,275	: 6,106:	8,321:	8,155

1/ A large percentage was re-exported to Macao.

Source: Hong Kong Trade Returns and reports from U. S. representatives abroad.

Imports of Manufactured Tobacco Products

Imports of cigarettes in 1954, totaling 3.9 million pounds, were 12 percent more than in 1953 and three times the prewar level, but were well below the average imports during the 1945-51 period. About 1.13 million pounds or approximately 30 percent of the imported cigarettes were re-exported in 1954. The quantity received from the United States, the largest supplier, amounted to 2 million pounds in 1954 - a decrease of 12 percent as compared with the 1953 level, and 47 percent below the annual average in the 1950-52 period. The United Kingdom, the second largest supplier, accounted for 1.2 million pounds in 1954, an increase of 5 percent over 1953, but 20 percent below the annual average of the previous 3-year period.

Only 19,000 pounds of cigars and cheroots were imported in 1954, one-sixth less than in 1953 and one-third less than the average during the three years 1950-52. The Philippines are still the major source of imported cigars with the Netherlands also supplying small quantities.

Imports of cut and pipe tobacco in 1954 totaled 98,000 pounds and were 22 percent lower than in 1953 and about 33 percent lower than in 1952. Macao is still Hong Kong's principal source of supply, furnishing 58 percent of the total in 1954. The United Kingdom and the United States supply most of the rest, furnishing 21 and 19 percent, respectively, in 1954.

Hong Kong: Imports of manufactured tobacco products by kind and country of origin, 1938 (prewar), and annual 1950-54

Kind and country of origin	: 1938	: 1950	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds:	: pounds:	: pounds:	: pounds:	: pounds:	: pounds:
<u>Cigarettes:</u>	:	:	:	:	:	:
United States	: 81	: 3,802	: 5,214	: 2,254	: 2,280	: 2,001
United Kingdom	: 547	: 1,587	: 1,459	: 1,315	: 1,110	: 1,162
Macao	: 22	: 24	: 91	: 1	: 52	: 632
Central Africa (British)	: -	: -	: -	: 11	: 14	: 37
China	: 472	: 207	: 66	: -	: -	: 21
Malaya	: -	: 1	: 100	: 8	: 13	: 11
Netherlands	: -	: -	: 278	: 49	: 1	: 2
Other	: 7	: 10	: 157	: -	: 3	: 13
Total	: 1,129	: 5,631	: 7,051	: 3,638	: 3,473	: 3,879
	:	:	:	:	:	:
<u>Cigars and cheroots:</u>	:	:	:	:	:	:
Philippines	: 14	: 23	: 25	: 23	: 18	: 17
Netherlands	: 1	: 3	: 3	: 4	: 3	: 2
Other	: 1	: 1	: 1/	: 2	: 2	: 1/
Total	: 16	: 27	: 28	: 29	: 23	: 19
	:	:	:	:	:	:
<u>Cut and pipe tobacco, etc.:</u>	:	:	:	:	:	:
United Kingdom	: 20	: 35	: 2/	: 46	: 44	: 21
United States	: 32	: 41	: 2/	: 27	: 33	: 19
Macao	: 580	: 31	: 2/	: 64	: 43	: 57
Other	: 38	: 1/	: 2/	: 10	: 5	: 1
Total	: 670	: 107	: 2/	: 147	: 125	: 98
	:	:	:	:	:	:

1/ Less than 500 pounds.

2/ Not available.

Source: Hong Kong Trade Returns and reports from U. S. representatives abroad.

Re-Exports of Unmanufactured Tobacco

In 1955, 2.6 million pounds of leaf was re-exported from Hong Kong, which is 4 percent less than in 1953. Macao still receives the largest shipments of leaf, taking over 50 percent of the total in 1953 and 1954. Shipments to Egypt, Formosa and Malaya have increased considerably during the last two years. Re-exports of Indian and perhaps Chinese leaf to the Netherlands and Germany have also increased. No leaf or scrap has been reported as being re-exported directly to the mainland of China since 1951. The bulk of the scrap shipped from Hong Kong continues to be sent to Macao.

Hong Kong: Re-exports of unmanufactured tobacco by country of destination, 1938 (prewar), and annual 1950-54

Country of destination:	1938	1950	1951	1952	1953	1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
<u>Leaf tobacco:</u>	:	:	:	:	:	:
Macao	: 1,378	: 1,892	: 14,081	: 863	: 1,342	: 1,301
Egypt	: 1	: 553	: 92	: 51	: 427	: 303
Formosa	: -	: -	: 84	: 1	: 215	: 308
Malaya	: 5	: 10	: 1	: 83	: 208	: 229
Netherlands	: 87	: -	: 57	: 60	: 2	: 124
Germany, Western	: 1/ 76	: -	: 38	: 107	: 167	: 93
China	: 1,410	: 1,378	: 1,928	: -	: -	: -
Philippines	: -	: 148	: -	: 182	: 305	: -
Other	: 83	: 759	: -	: 76	: 7	: 198
Total	: 3,040	: 4,740	: 16,281	: 1,423	: 2,673	: 2,556
<u>Stems, scrap, etc.:</u>	:	:	:	:	:	:
Macao	: 1	: 1,174	: 4,096	: 249	: 289	: 451
China	: 420	: 87	: 812	: -	: -	: -
Other	: -	: 51	: -	: -	: 15	: -
Total	: 421	: 1,312	: 4,908	: 249	: 304	: 451
Total unmanufactured	: 3,461	: 6,052	: 21,189	: 1,672	: 2,977	: 3,007

1/ All Germany.

Source: Hong Kong Trade Returns and reports from U. S. representatives abroad.

Exports and Re-Exports of Manufactured Products

More than 90 percent of the shipments of manufactured tobacco products from Hong Kong have been cigarettes, and more than 70 percent of the cigarettes shipped in the 1952-54 period were re-exports. Exports of cigarettes have declined sharply, with 1.3 million pounds shipped in 1954 as compared with 3.7 million pounds in 1950-51 and 6.6 million pounds in 1938.

China, once the largest outlet, has received only small quantities of direct shipments since 1951. Macao in the last three years has been the largest outlet, followed by Malaya and Burma. Shipments to the two latter countries decreased greatly in 1953 and 1954, while shipments in those years of 305,000 and 650,000 pounds, respectively, were made to the United States Trust Territory in the Pacific. 1/

1/ The U. S. Trust Territory of the Pacific Islands comprised of 625 islands in the Western Pacific Ocean, including the Caroline, Marshall and Mariana Islands (except Guam), placed under U. N. trusteeship by agreement, approved by the Security Council and U. S. Government in 1947.

Other manufactured tobacco products exported or re-exported are cut and pipe tobacco, and cigars and cheroots. In 1954, 81,000 pounds of cut tobacco was exported. This was the largest shipment since 1948, but still far below the 1938 prewar shipment of 700,000 pounds. Malaya and Indochina are the chief markets. Exports of cigars and cheroots amounted to 3,000 pounds in 1953 and 1954, or about 25 percent less than the average during the 1950-52 period and sharply below the prewar level (1938) of 36,000 pounds. Over 75 percent of the cigar and cheroot exports since 1951 have gone to Malaya.

Hong Kong: Exports (including re-exports) of manufactured tobacco products, 1938 (prewar), and annual 1950-54

Item	: 1938	: 1950	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Cigarettes	:	:	:	:	:	:
Local manufacture	: 1/	: 1/	: 1/	: 349	: 507	: 159
Imported	: 1/	: 1/	: 1/	: 1,107	: 549	: 1,125
Total	: 6,638	: 3,958	: 3,500	: 1,456	: 1,056	: 1,284
	:	:	:	:	:	:
Cut and pipe tobacco, etc.	: 700	: 28	: 73	: 74	: 60	: 81
Cigars and cheroots	: 36	: 4	: 3	: 5	: 3	: 3
Total	: 7,374	: 3,990	: 3,576	: 1,535	: 1,119	: 1,368
	:	:	:	:	:	:

1/ Not available.

Source: Hong Kong Trade Returns and reports from U. S. representatives abroad.

Hong Kong: Exports (including re-exports) of cigarettes by country of destination, 1938 (prewar), and annual 1950-54

Country of destination	: 1938	: 1950	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
	:	:	:	:	:	:
Macao	: 685	: 1,058	: 828	: 496	: 426	: 451
Malaya	: 150	: 1,375	: 1,806	: 522	: 26	: 24
Burma	: 1/	: 22	: 111	: 248	: 166	: 20
Formosa	: -	: -	: 23	: 91	: 96	: 14
Indochina	: 278	: 4	: 13	: 14	: 23	: 31
China	: 2/ 5,243	: 2/ 728	: 93	: 7	: 1	: -
Philippines	: 10	: 119	: 120	: 3/	: 1	: 1/
North Borneo	: 28	: 552	: 322	: 2	: -	: 5
Indonesia	: 1/	: 3	: 96	: 42	: 9	: 3
U. S. Trust Territory	:	:	:	:	:	:
in the Pacific	: -	: 3/	: 3/	: 3/	: 305	: 650
Other	: 244	: 97	: 88	: 34	: 3	: 86
Total	: 6,638	: 3,958	: 3,500	: 1,456	: 1,056	: 1,284
	:	:	:	:	:	:

1/ Less than 500 pounds.

2/ Including Formosa.

3/ If any, included in "other."

Source: Hong Kong Trade Returns and reports from U. S. representatives abroad.

Production Facilities

Hong Kong has four tobacco manufacturing plants, which are very modern or are being modernized in expectation of increasing local consumption and exports. From the levels of imports and re-exports, it appears that the factories have used more than 5 million pounds of leaf tobacco in each of the last two years and that local manufacture of tobacco products is increasing.

Hong Kong: Supply and utilization of tobacco  
leaf, 1938 (prewar), and annual  
1950-54

Year	: Leaf imports	: Leaf re-exports	: Retained for local use
	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
1950	: 8,709	: 4,740	: 3,969
1951	: 20,130	: 16,281	: 3,849
1952	: 5,869	: 1,423	: 4,446
1953	: 8,051	: 2,673	: 5,378
1954	: 7,892	: 2,556	: 5,336
	: :	: :	: :

Source: Prepared from Hong Kong Trade Returns  
and reports from U. S. representatives abroad.

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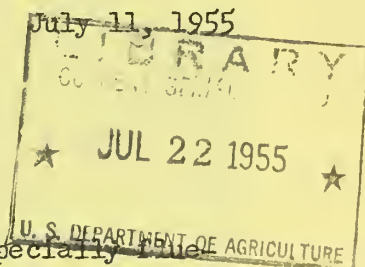
# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 36-55

THE TOBACCO TRADE OF  
INDOCHINA (VIETNAM, LAOS AND CAMBODIA) 1/

Summary



There is a strong demand for United States' tobaccos, especially flue-cured, Burley and certain dark types in Vietnam, and the Cambodian cigarette factories already need additional leaf. The United States should be able to supply much of the imported leaf. Larger supplies will be required as output of cigarettes expands in Cambodia. In the past much of the tobacco imports moved under agreements between France and other countries, which probably tended to decrease the proportion purchased from the United States. Incomes have been low, which tended to limit the demand for high quality cigarettes and this has been reflected in the quality of much of the foreign leaf purchased.

Imports of flue-cured, Burley and certain dark types from the United States are likely to be higher in the next few years. If political conditions stabilize and these areas remain outside the "Bamboo Curtain," these areas should continue to be good markets for United States' tobaccos.

Relatively large amounts of the tobacco are used in the form of "kerfed" (green cut) tobacco or in "black" (dark) cigarettes. The demand for cigarettes made of straight flue-cured has become very important and has been rising. Also, there is a smaller but relatively significant and increasing demand for American-blends.

Efforts to expand domestic output of cigarette leaf, especially flue-cured, will continue and production is likely to be increased, although average quality probably will remain fairly low. The domestic flue-cured is neutral and quality deteriorates rather quickly unless new seed is imported at rather frequent intervals. There is a modern cigarette manufacturing industry in Vietnam and there are two smaller factories in Cambodia. No commercial cigarette factories have been reported in Laos.

Separate tariff agreements between France and two of these states have recently been completed and the agreement reviewed provides for a lower import duty on tobacco from France or French territories. With the new tariff barriers to trade between Vietnam, Laos and Cambodia, the production of leaf as well as of cigarettes in Laos and Cambodia will be stimulated.

1/ Mr. James W. Birkhead has just returned from a study of tobacco production and trade in eight countries of the Far East, Australia and New Zealand. The main objectives were to analyze and evaluate foreign competitive production and U. S. export prospects.

## Introduction

The three states (Vietnam, Laos and Cambodia), which formerly made up the Associated States of French Indochina, now have independent status in the French Union. However, because the tobacco importation, manufacturing and distribution patterns have been integrated in the past, it seems appropriate to discuss all three of the states in this circular.

In 1952, the population of Laos was 1.3 million, Cambodia 4.2 million, North Vietnam 14 million and South Vietnam 11 million. North Vietnam is currently controlled by the Communists and the influence of Communism is strong in the northern part of Laos. Refugees from North Vietnam have increased the population of South Vietnam considerably. The present population of the non-Communist areas of these three states is probably between 18 and 20 million. Most of the people work in agriculture and average incomes are low, but are likely to rise as the Free-World (mainly the United States) is assisting in many economic development projects.

## Type of Products Consumed

Much of the tobacco is consumed in the form of "kerfed" tobacco, which is prepared by chopping the green or yellowed leaves and drying it in the sun, and is used in hand-rolled cigarettes or pipes. Relatively large amounts of leaf are also used in "black" (dark) cigarettes and cheroots. A high proportion of the cigarettes have been "black" types, but in recent years there has been a continuing upward trend in the demand for straight flue-cured cigarettes and the consumption of American-blends is small but increasing. Many people apparently prefer American-blends, but often these are not readily available.

## PRODUCTION OF UNMANUFACTURED TOBACCO

### Vietnam - Production of Leaf

There is little information available on production in Vietnam, but most of the leaf is "black" types. Some of the more important producing areas include Tour-Cham and Nhatrang in southeastern part of Vietnam, and Phanrang and Thua-Thien Region near Hue in Central Vietnam.

Vietnam: Estimated production of unmanufactured tobacco by regions  
in 1946

Region	: Area	: Production
	: Acres	: 1,000 pounds
	:	:
North	: 3,000	: 3,300
Central	: 3,000	: 3,300
South	: 4,300	: 6,400
Total	: 10,300	: 13,000
	:	:

In the last 15 years most of the efforts of the government and manufacturing companies to increase production have been in the central part of Vietnam. Most of the domestic leaf purchased for use in cigarettes has been "black" leaf grown in Central Vietnam. The Phanrang Area has been the largest producing area and output expanded greatly in the years just prior to "partition." The Angkhe and Nhatrang Areas were next in importance. The Ministry of Agriculture has had a program designed to insure that manufacturers purchase all domestic leaf produced regardless of quality.

Of the total leaf producing area in Vietnam at the time of partition, it is estimated that approximately 30 percent is in North Vietnam, which is now under Communist control, with the remaining 70 percent in the area now known as South Vietnam (including the Central Region), which is still outside the "Bamboo Curtain."

Cambodia: Estimated production of unmanufactured tobacco, 1941-50  
(farm sales weight)

Year	:	Area	:	Production
	:	<u>Acres</u>	:	<u>1,000 pounds</u>
	:		:	
1941	:	8,750	:	4,850
1942	:	9,500	:	5,500
1943	:	23,750	:	12,200
1944	:	21,250	:	7,250
1945	:	7,500	:	4,200
1946	:	23,750	:	12,300
1947	:	18,750	:	9,250
1948	:	17,500	:	8,150
1949	:	17,500	:	9,250
1950	:	20,000	:	10,550
	:		:	

Cambodian Production of Leaf

As in Vietnam, most of the production is "dark" tobaccos that are sun or air-cured, but small quantities of flue-cured are also grown. Most of the dark leaf is grown in alluvial river valleys, with the main areas concentrated along the Mekong River and its tributaries. The largest amounts of domestic production are reported to be in the regions of Kompong-Cham, Kandal, Kratie, Battambang, Pursat and Kompong Thom. Some flue-cured is grown in the central part of Cambodia.

Production probably exceeds the amounts reported as much of the leaf is processed on the farm or in villages and is sold in village markets without the payment of tax.

Experimental work with a number of types, including Burley, Kentucky-Tennessee fire-cured, Havana, flue-cured, Maryland, a Hungarian variety, and a dark type from Vietnam, has been carried out in an effort to determine whether these types can successfully be produced locally. While results of the tests with the first three types listed are not readily available, reports on the other types listed indicate that the characteristics of the tobaccos grown in Cambodia differ greatly from those produced in areas from which the varieties were introduced, although they are reportedly acceptable for blending with imported leaf.

In the past, some of the experimental work on production of flue-cured was done by the Institute of Agricultural and Pastoral Research and the National Agricultural Service, but most of it reportedly has been carried out under the supervision of a private tobacco manufacturing company.

For some time there has been an Agricultural Cooperative of Kompong-Cham, which has purchased certain types of leaf and has carried out some fermentation, packing, shipping and export selling operations.

#### Laos Production of Leaf

Most of the domestic production is dark sun-cured varieties, much of which is cut green and dried in the sun and used in roll-your-own cigarettes or in pipes, mainly by the population of Chinese descent. There are no accurate figures on production, but it is usually estimated as being from two to four million pounds.

Some flue-cured has been produced for a number of years. This type has been grown in the Haut-Mekong Province since 1946 and in the vicinity of Vientiane since 1949. These areas are both adjacent to Thailand. While the exact amount produced in recent years is not known, several hundred thousand pounds of leaf have been exported to Thailand and South Vietnam.

Production in the Vientiane area has been largely under the direction of a private cigarette company in Saigon. This company, through a cooperative arrangement, has supervised the seedbeds, issued the seedlings to farmers, purchased the green leaf for curing and packed the leaf for export.

Indochina: Estimated production of unmanufactured tobacco, average 1935-39 and 1947-51, annual 1954 and 1955 (total for Vietnam, Laos and Cambodia)

Period	Acreage			Production		
	Flue-cured	Native	Total	Flue-cured	Native	Total
	1,000	1,000	1,000	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds
Average:						
1935-39	1/	44	44	1/	32,004	32,004
1947-51 2/	1	25	26	450	14,550	15,000
Annual:						
1954	1	44	45	600	32,500	33,100
1955	1	35	36	500	25,000	25,500

1/ Not available.

2/ Less than 5-year average.

#### Imports of Leaf for All Indochina

In recent years, imports of unmanufactured leaf by Indochina (Cambodia, Laos and entire area of Vietnam), most of which were used in South Vietnam factories, have been of considerable importance, amounting to 11.6 million pounds in 1951, 16.1 million pounds in 1952 and 17.2 million pounds in 1953. The United States supplied Indochina with 2.2 million pounds in 1951, 3.4 million in 1952, 3.5 million in 1953 and 2.1 million in 1954. The bulk of United States' leaf imported in the last few years has been flue-cured with lesser amounts of cigar filler and dark fire-cured. Relatively small but increasing quantities of United States Burley, cigar wrapper and binder have been imported. Limited but increasing quantities of flue-cured in recent years have been purchased from India and the Central African Federation. Much of the Burley and fire-cured has been imported from Italy and Nyasaland.

Most of the imports of unmanufactured tobacco have been cigar filler types, many of which were used in cigarettes. The bulk of this leaf has been obtained from the Dominican Republic, Brazil, Paraguay, Colombia, Cuba, Indonesia and the Philippines. Considerable quantities, believed to be mostly dark air-cured leaf, have been taken from French North Africa.

Indochina: Imports of unmanufactured tobacco by country of origin, 1950-53

Country of origin	1950	1951	1952	1953
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
United States	2,767	2,220	2,766	3,284
Cuba	358	804	711	1,038
Dominican Republic	1,368	1,790	1,671	2,697
Brazil	1,825	1,268	2,655	1,976
Paraguay	655	1,165	1,561	773
Colombia	-	189	5	716
Mexico	33	-	60	151
Puerto Rico	-	-	135	-
France	31	54	44	-
French North Africa	1,203	1,584	1,142	1,026
French West Africa	181	98	85	-
Hungary	162	940	1,048	-
Yugoslavia	739	136	-	373
Italy	461	267	1,324	1,256
Nyasaland	-	67	192	219
Indonesia	276	177	812	1,200
Philippine Republic	693	813	1,474	1,484
India	9	44	206	301
Others	37	51	231	720
Total	10,798	11,667	16,122	17,214

Prospects for Exports of United States Leaf

In the spring of 1955, the tobacco stocks of manufacturers in South Vietnam were virtually depleted. In April, the Vietnam Government authorized the importation of unmanufactured tobacco valued at \$2.73 million (U. S.) of which \$2.1 million was to be purchased from the United States. The plan for purchases of United States' leaf included \$1.7 million for flue-cured with the remainder for buying Burley and darks. The \$650,000 to be spent outside the United States was for the purchase of dark leaf from the Philippines, Brazil, Paraguay, Cuba, Colombia and Dominican Republic. The purchase of these tobaccos was to have been made during the first half of 1955.

Tobacco industry representatives in Saigon have indicated that they would like to purchase in the second half of 1955 about 1.8 million pounds of flue-cured and 4.2 million pounds of Burley and dark leaf. It is uncertain as to how much foreign exchange will be made available for imports of tobacco in the second half of 1955, but additional supplies will be required if the factories are to meet demand for tobacco products.

Increased supplies of imported leaf will also be needed almost immediately in Cambodia in order to maintain or increase the domestic production of cigarettes. The demand for domestically produced cigarettes will increase as import duties have recently been put into effect on shipments from Vietnam, which formerly supplied a high proportion of the tobacco products consumed in Laos and Cambodia.

While it is impossible to estimate accurately the future demand for imported tobacco, it seems likely that 10 to 12 million pounds or more will be needed annually in the next two or three years in order to meet the demand for tobacco products in South Vietnam, Cambodia and Laos. If North Vietnam reunites with South Vietnam within the sphere of the non-Communist world, 18 to 22 million pounds or more of imported leaf would be needed to meet demand in the three-state area.

### Manufacturing Facilities

There are modern cigarette factories in South Vietnam and there are two smaller factories in Cambodia, but no commercial plants have been reported in Laos.

In the past, the tobacco manufacturing facilities of Vietnam (in Saigon) have supplied a high proportion of the cigarettes and commercially processed cut tobacco used in Vietnam as well as in Laos and Cambodia. However, considerable quantities of cheroots and "kerfed" tobacco are prepared at home or in cottage industries and sold in the village markets.

Now that each of the three areas, South Vietnam, Laos and Cambodia, has the status of a separate state in the French Union, the traditional trade pattern of importing leaf into Saigon and exporting cigarettes from Vietnam to Laos and Cambodia faces tariff barriers and foreign exchange difficulties. Vietnam is not likely to continue to import leaf for "hard" foreign exchange and sell manufactured tobacco products to Cambodia and Laos for local currencies that cannot readily be used for purchasing the manufactured goods required. These, together with the presence of nationalistic tendencies in regard to stimulating industrial development, have already resulted in increasing the manufacture of tobacco products in Cambodia and, if political conditions stabilize with Laos remaining in the non-Communist orbit, these same pressures are likely to result in the construction of cigarette factories in this state.

France has already made separate tariff agreements with Vietnam and Laos. Unmanufactured tobacco imported by Vietnam enjoys duty preference as compared to leaf from other areas. No information has been received on the tariff agreement between France and Laos, or on a possible agreement between France and Cambodia, but these are expected to provide for lower duties on tobacco from French Union Areas.

Imports of Manufactured Tobacco Products

During the late 1930's and early 1940's, large quantities of cigarettes were imported, mostly from France and the French Territories. As the manufacturing facilities expanded in Vietnam, the imports of cigarettes declined sharply with increasing amounts of leaf taken. In recent years, practically all of the imports of manufactured products have been cigarettes largely from France, the United Kingdom and United States. Some of the foreign cigarettes entering Vietnam have been re-exported to Cambodia and Laos.

Indochina: Imports of manufactured tobacco,  
1937 and 1951

Country	:	1937	:	1951
	:	<u>Pounds</u>	:	<u>Pounds</u>
France and Colonies	:	4,358,000	:	82,465
United Kingdom	:	48,400	:	23,460
United States	:	<u>1/</u>	:	13,370
Other	:	264,600	:	<u>1,425</u>
Total	:	4,671,000	:	120,720
	:		:	

1/ If any, included in other.

Some of the cigarettes consumed in Cambodia were produced in that State, but, as indicated above, a considerable proportion were imported from Vietnam. Practically all of the cigarettes consumed in Laos have been imported from Saigon (South Vietnam), but some probably have been supplied by Thailand and other areas.



# FOREIGN AGRICULTURE CIRCULAR

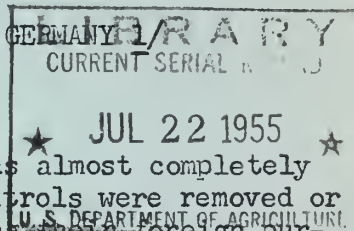
UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 37-55

June 11, 1955

THE TOBACCO MARKET IN THE FEDERAL REPUBLIC OF GERMANY

## Outlook for United States Leaf



(1) During 1954, the German tobacco import trade was almost completely liberalized. Most of the restrictions and Government controls were removed or relaxed. Importers now have a much freer hand in planning their foreign purchases at the most opportune time in relation to the general market situation. Duty-paid imports of United States leaf into the Federal Republic (Western Germany) in 1954 totaled 54.4 million pounds, compared with 13.8 million pounds (all Germany) in prewar (1935-39). Germany has been the second-largest foreign market for our leaf during the postwar period.

(2) The level of imports of United States tobaccos will continue to be influenced by endeavors of the German Government to establish more firmly the traditional trading pattern with the Balkan area. This already has been strengthened by trading arrangements which have included tobacco and other agricultural commodities, as items to be shipped to Germany in exchange for manufactured goods.

(3) Prospects for maintaining substantial usings of United States leaf, however, appear reasonably good. It is believed that total usings of United States tobaccos by German manufacturers last year were about 60 million pounds (storage-order weight). This compares with about 12 million during the immediate prewar period.

The upward trend in cigarette output - from 28.7 billion pieces in the fiscal year beginning April 1951 to 40.7 billion pieces in fiscal 1954-55 -- continues. Since about 75 percent of all United States leaf used in Germany goes into cigarettes, this trend has favorable implications for the future of our market there. This absolute increase in usings of our tobacco in cigarettes has somewhat more than offset a decrease in usings of our leaf in smoking mixtures.

Despite slight yearly increases in the absolute volume of United States tobaccos used by German manufacturers, our proportionate share of the market, as indicated by duty-paid imports, declined from 51 percent in 1951 to 41 percent in 1954. During this period, takings of oriental leaf from Greece and Turkey increased from 23 percent of total imports, to 33 percent. During the period 1950-54, output of American-type blended cigarettes declined from 93 percent of total cigarette output, to about 80 percent. A further decline

1/ Based partially on observations made by R. A. Owen, Director, Tobacco Division, FAS, while on a survey trip to Europe, and partially on material available in the files of the Tobacco Division. The assistance rendered by the staff of the American Embassy at Bonn, the Consulate at Bremen and the German tobacco industry is acknowledged.

occurred in the early months of 1955. Straight oriental cigarettes held about 4 percent of the market in 1950, but sales of this type gradually increased to about 16 percent in early 1955. A continuation of this trend, if not offset by increases in total consumption, will affect adversely the level of our exports to Germany.

(5) It appears that the proportionate usings of oriental leaf in American-type blended cigarettes, which continue to dominate the German market, have reached maximum levels, if the characteristics of this type of cigarette is to be maintained. (The German version of the American-type blended cigarette contains, on the average, about 47 percent flue-cured, 11 percent Burley, and 42 percent oriental. The percentages used by different manufacturers vary somewhat from these figures.)

(6) Price considerations have become an important factor in the pattern of Germany's tobacco purchases. According to trade sources, prices paid for United States leaf have been trending sharply upwards in recent years, while at the same time prices for oriental leaf and non-U.S. flue-cured have increased only moderately. Although takings of our tobacco have greatly improved from the quality standpoint, extremely narrow manufacturers' margins make the price factor an important consideration.

(7) The market for United States cigar leaf is expected to remain at a level of from 2 to 3 million pounds annually. Domestic leaf is not competitive with cigar leaf exports from this country. However, as larger supplies of wrappers and binders become available in Indonesia, at some future date, our market for cigar leaf probably will be affected adversely.

(8) Additional sales of United States leaf tobacco probably would result from a modification in the existing blending regulations and excise tax structure for smoking mixtures, which now favor maximum use of domestic leaf in these products.

### Summary

The German tobacco industry can be generally described as one of free enterprise. In certain aspects, however, the Government exercises considerable influence. From a quality standpoint, domestically-produced tobacco cannot compete with most imported types. In order to encourage the use of domestic leaf, especially in smoking mixtures and cigarettes, the Government has established favorable differentials in the excise tax structure for brands containing at least 50 percent domestic tobacco. The Government also maintains control over the retail prices of tobacco products. It fixes the acreage to be grown in tobacco, and imposes import duties on leaf and products. (The present duty on unstemmed leaf is 1,800 D.M. per metric ton (about 19 U.S. cents per pound).

### Production and Utilization of Domestic Tobacco

During the period 1951-54 about 25-30 percent of total tobacco usings in German factories was of domestic origin. The crop averaged 53 million pounds, farm sales weight, for the years 1951-54. About 60 percent of the domestic crop is used in cigar manufacture, chiefly as fillers, and is not considered to be competitive with United States leaf.

Except for a very small quantity of domestic leaf used in the production of dark cigarettes, the balance, aside from that used in cigars, goes into pipe and fine-cut tobacco. The Federal Government has been promoting the use of domestic leaf in pipe tobaccos and in 1953 enacted special differential excise rates on blends which contain at least 50 percent domestic leaf. The pipe tobacco industry has advocated a further reduction in the existing blend requirement, possibly to 40 percent, to improve its sales which have been declining since 1951. Also, strenuous efforts are being made to improve the quality of the domestic crop, particularly flue-cured. Trade sources indicate that domestic flue-cured does not compete with United States leaf on a quality basis, but may in the future replace part of the imports of non-U.S. flue-cured.

Since 1948, Western Germany has been the second-largest foreign buyer of United States tobacco. It imported about 12 percent of all the tobacco shipped from the United States during 1953-54. Increased sales of straight oriental cigarettes from 2 percent following World War II, to 16.7 percent for the month of March 1955, has contributed to the declining share of United States leaf in the German market. Import prices for oriental leaf, and flue-cured leaf from Japan, India, Southern Rhodesia, Italy and Canada in the past few years have been lower than prices for U. S. cigarette tobaccos. This, together with fixed retail prices and rising raw material and production costs, has encouraged manufacturers to import more from those areas.

Leaf purchases from the United States may increase slightly, however, if the trend in total cigarette output continues upward. This level, however, will be affected by the German Government's efforts to expand export trade in industrial and consumer goods in world markets, particularly with the Balkan area, through various trade arrangements.

#### Usings of Leaf

Utilization of leaf tobacco in German factories is estimated at about 195 million pounds in the fiscal year beginning April 1, 1954. There has been a sharp upward trend in leaf usings for cigarette manufacture since early postwar years. About 105 million pounds were used in cigarettes in fiscal 1954, compared with 60 million in fiscal 1950. Tobacco used in cigars totaling 62 million pounds in 1954 was up slightly from 1950. Less leaf was used in both types of smoking tobacco, however, last year than in 1950.

#### Consumption of Products

Total consumption of tobacco products during the fiscal year beginning April 1, 1954, was about 21 percent above that for fiscal 1950. Consumption of cigarettes last year, at 40 billion pieces, was up nearly 70 percent from the fiscal 1950 level. Cigar consumption totaled 4.3 billion last year, up 13 percent from 1950. Considerably lower quantities of both types of smoking tobacco (pipe and fine-cut) were consumed last year. Chewing tobacco and snuff were also much less popular.

# Production 1/

West Germany's leaf tobacco production is sufficient to supply about 27 percent of its requirements. Production averaged about 75 million pounds during the prewar period but declined to about 55 million pounds in 1954. The decline in both acreage and production was due to the fact that domestic-grown tobacco could not compete with higher-quality imported tobaccos. Declining consumption of smoking mixtures which contain a high percentage of domestic leaf has also been a factor.

Efforts to improve quality will continue, but are unlikely to counteract the decline in demand for home-grown tobacco. Were it not for the special tax privileges re-introduced in August 1951, for tobacco products containing at least 50 percent domestic tobacco, manufacturers undoubtedly would have used even less home-grown leaf. Prospects for changes in blending regulations appear to be unfavorable at present, due to the strong opposition from domestic producers.

Western Germany: Area, yield and production of tobacco;  
averages 1935-39 and 1947-51; annual, 1951 through 1954

Year	Area	Yield per Acre	Production 1/
	Acres	Pounds	1,000 Pounds
1935-39 Av.	32,599	2,284	74,445
1935-39 Av. 2/	26,894	2,342	62,980
1947-51 Av. 3/	24,717	2,212	54,665
1951	26,319	2,254	59,324
1952	23,138	2,197	50,836
1953	23,509	2,029	47,695
1954	26,373	2,090	55,115

1/ Farm sales weight.

2/ Adjusted for present area of the Federal Republic.

3/ A four-year average only; data for 1947 unavailable.

Source: Statistisches Jahrbuch fur die Bundesrepublik Deutschland.

1/ This section, based largely on a report prepared by Pieter Berben, of the staff of the American Consulate General at Bremen, under the supervision of Consul Arthur D. Foley. Some passages are direct quotes from the report.

Three types of tobaccos are grown in West Germany: flue-cured, air-cured and cigar leaf. Cigar leaf is of three varieties, Geudertheimer, Havana II C, and Friedrichstaler. Geudertheimer accounts for about 72 percent of the total cigar leaf crop, Havana II C about 19 percent, and Friedrichstaler about 9 percent. About 80 percent of the cigar leaf crop is filler, the remaining 20 percent being wrapper and binder in about equal proportions, depending on the quality of the crop. Havana II C is the main source of binder and wrapper leaf and it has been replacing Friedrichstaler.

Western Germany: Domestic production of tobacco  
by types, 1950 through 1954 1/

Year	Cigar Tobacco	Flue-cured	Air-cured	Total
	1,000	1,000	1,000	1,000
	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>	<u>Pounds</u>
1950	45,761	5,606	22,185	73,552
1951	37,827	6,226	15,271	59,324
1952	31,649	6,735	12,452	50,836
1953	26,191	9,286	12,218	47,695
1954 <u>2/</u>	33,069	8,267	13,779	55,115

1/ Data prior to 1950 unavailable.

2/ Preliminary

Source: Consular reports.

Production of both cigar and air-cured leaf has declined since 1950. Production of flue-cured leaf has increased rapidly. During 1953-54 cigar leaf represented 58 percent of total production, air-cured types including Burley 25 percent, and flue-cured Virginia leaf 17 percent. "Virgin Gold A" is a variety which is both air-cured and flue-cured. Both Burley and "Virgin Gold A" are used in the production of fine and coarse cut tobacco smoked in pipes and "roll-your-own" cigarettes.

The pricing of domestically-grown tobacco is not affected by subsidies, price-supports or price agreements, with the exception of tobacco grown under contract, where prices for each grade and an overall minimum price for the total delivery are fixed in advance.

For all other tobacco, prices are based on supply and demand factors and the quality of the tobacco offered for sale. Demand is also affected by the Government policy of tax-favoring the consumption of home-grown tobacco. Attempts to adjust production to demand through acreage allocations have not been successful since 1947. Both the industry and growers have voiced their desire for a stable market by the establishment of an organization somewhat similar to the U. S. price-supporting organizations. Stabilization of prices would assure growers of minimum prices, remove the fear of producing surpluses, and insure an adequate supply of domestic leaf to meet the demand of the industry.

Government control of the tobacco acreage in the Federal Republic functions as follows: The tobacco manufacturing industry informs the Government of its expected needs of domestic tobacco, based on the anticipated developments in manufacture and consumption. After consultation with the Federal Tobacco Grower's Union, the Government, represented by the Ministries for Economics, Agriculture and Finance, establishes the ceiling and allots acreage quotas to the various states comprising the Federal Republic. The State Governments, advised by the Growers' Associations on a state level, are responsible for the break-down of their quotas to municipalities, which in turn, acting upon advice of local growers organizations, allocate the acreage to individual growers. Through its tax administration, the Government controls the actual utilization of acreage allocations and, based on previous yields, establishes the tentative production for each farmer. For fiscal reasons, the Government controls the movement of every pound of tobacco, either domestically-produced or imported, until it is manufactured and tax stamps have been applied.

Tobacco growers in the Federal Republic have their organization -- Bundesverband der Landesverbaende der Tabakbauvereine (Federal Union of State Associations of Tobacco Growers' Organization) in Karlsruhe. The activities of the organization are related to (1) legislation affecting tobacco (laws, regulations, acreage ceilings and acreage allocations); (2) activities concerning tobacco cultivation and improvement of quality; and (3) the organization and carrying out tobacco sales through seasonal auctions. This organization was responsible for the establishment of the Tobacco Research Institute at Forchheim in 1927, and was influential in the prevention of the establishment of a national tobacco monopoly in 1924.

### Trade

West Germany's foreign trade in tobacco consists mainly of leaf imports. Exports of leaf and manufactured tobacco and imports of manufactured tobacco have been relatively insignificant since 1948. However, reshipments of tobacco products to West Berlin during the last two years averaged about 8.5 million pounds, comprised primarily of cigarettes and cigars. Re-exports of tobacco purchased with dollars to countries with restrictive dollar policies is still prohibited by the Government.

Published data on imports list only duty-paid imports -- direct and withdrawals from bond. It is customary to store large amounts of tobacco in the foreign trade zones of Bremen and Hamburg until there is a demand on the domestic market. Import figures, therefore, more nearly reflect utilization by manufacturers than total arrivals, which would include quantities going into bond.

A fundamental change has taken place in the pattern of German tobacco imports since prewar. Before the war, oriental leaf represented about 47 percent of all German imports, and the United States' share amounted to less than 7 percent. This has changed radically during the postwar period and may be explained by two factors: (1) a change in consumer preference; and (2) the availability of foreign exchange through various United States aid programs. Since 1951, however, the United States' share of the German market has declined and amounted to only 41 percent of total imports during 1954, compared with an average of 54 percent during 1947-51. Imports of oriental, cigar, and non-U.S. flue-cured leaf have increased substantially since 1950, due primarily to price

considerations and special trading arrangements. Imports of cigar and oriental tobaccos have been encouraged either by bilateral trade agreements (Brazil, Colombia, Dominican Republic, etc.) or, if the country was a member of EPU (Greece, Turkey, Indonesia, etc.) through a multilateral clearing system in which Germany has held a creditor position since 1952. Imports of non-U.S. flue-cured from Southern Rhodesia, India, China, Japan, Italy and Canada increased from 1.3 million pounds in 1950, to about 6.0 million in 1953, but declined to 3.1 million in 1954. The decline occurred in imports from Japan.

Western Germany: Imports of duty-paid unmanufactured tobacco by country of origin; averages 1935-39 and 1947-51; annual, 1951 through 1954

Country of Origin	: 1935-39 : average 1/ 2/	: 1947-51 : average 2/	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
	:	:	:	:	:	:
United States	: 13,795	: 42,943	: 52,414	: 53,666	: 53,548	: 54,415
Greece	: 44,281	: 6,980	: 10,996	: 14,950	: 21,589	: 28,419
Turkey	: 23,558	: 10,924	: 12,895	: 12,923	: 14,320	: 14,977
Brazil	: 27,727	: 6,776	: 10,567	: 12,149	: 10,893	: 10,823
Colombia	: 2,964	: 2,914	: 4,802	: 5,151	: 4,801	: 5,922
Dominican Republic	: 3,016	: 1,129	: 1,761	: 1,884	: 3,028	: 3,828
Indonesia	: 47,560	: 2,264	: 3,581	: 5,953	: 6,751	: 8,187
Japan	: 3/	: 83	: 333	: 869	: 2,323	: 128
Italy	: 776	: 704	: 1,104	: 1,982	: 1,921	: 1,542
S. Rhodesia	: 3/	: 35	: 10	: 1,063	: 1,787	: 1,543
Yugoslavia	: 3/	: 1,006	: 1,313	: 720	: 787	: 912
India	: 21	: 104	: 214	: 415	: 389	: 397
Bulgaria	: 27,409	: 1,275	: 585	: 200	: 89	: 60
Others	: 13,536	: 2,641	: 1,966	: 1,487	: 1,773	: 2,513
Total	: 204,643	: 79,778	: 102,541	: 113,412	: 123,999	: 133,666

1/ German Reich.

2/ Less than a five-year average, 1935 through 1938 and 1948 through 1951.

3/ If any, included in other.

Source: Federal Bureau of Statistics, Wiesbaden and Der Aussenhandel der Bundesrepublik Deutschland Teil II.

Statistics are not available as to imports by types; however, West Germany imports various types and qualities of leaf tobacco, as domestic types only supplement those received from foreign sources. Probably 75-80 percent of leaf tobacco imported from the United States is used in cigarette manufacture, 5 percent in cigars, and most of the remainder in smoking mixtures, (fine-cut and pipe tobaccos). Most of the Latin-American tobaccos are used in cigars. Practically all of the oriental leaf imported goes into cigarettes. Indonesian tobaccos are used in the manufacture of both cigars and pipe tobacco.

United States: Exports of unmanufactured tobacco to Western Germany, by types; averages 1935-39 and 1947-51; annual, 1951 through 1954

Type	: 1935-39 : : average :	1947-51 : : average :	1951 : : :	1952 : : :	1953 1/ : :	1954 1/ : :
	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :	: 1,000 : : pounds :
Flue-cured	: 4,060 :	: 36,803 :	: 38,011 :	: 66,276 :	: 61,006 :	: 35,642 :
Burley	: 467 :	: 6,077 :	: 5,361 :	: 7,677 :	: 4,910 :	: 4,043 :
Ky.-Term. fire-cured	: 3,022 :	: 1,007 :	: 671 :	: 732 :	: 931 :	: 673 :
Va. fire-cured	: 1,055 :	: 263 :	: 174 :	: 418 :	: 283 :	: 150 :
Maryland	: 173 :	: 308 :	: 154 :	: 184 :	: 252 :	: 483 :
Black Fat	: 168 :	: - :	: - :	: - :	: - :	: - :
One Sucker	: 13 :	: 73 :	: 6 :	: - :	: 4 :	: 3 :
Green River	: 1 :	: 50 :	: - :	: - :	: - :	: - :
Perique	: 1 :	: 1 :	: - :	: - :	: - :	: - :
Cigar leaf 2/ Stems, trimmings and scrap	: 339 : : 1,277 :	: 4,451 : : 197 :	: 3,068 : : 243 :	: 4,040 : : 236 :	: 2,817 : : 279 :	: 2,341 : : 70 :
Total	: 10,576 :	: 49,230 :	: 47,688 :	: 79,563 :	: 70,482 :	: 43,405 :

1/ Preliminary

2/ Mainly cigar wrapper and binder.

Source: Census Records, U.S. Department of Commerce.

United States types of leaf exported to West Germany consist primarily of flue-cured. Exports of flue-cured, Burley and cigar leaf, although much larger during the postwar period than in prewar, have declined since 1952. Exports of fire-cured types are only about one-fifth of prewar, while exports of Maryland have more than doubled those of prewar. In prewar years, flue-cured, Burley and Maryland made up only 44 percent of our total leaf movement to Germany, as compared with 93 percent during 1953-54, as a result of increased demand for light cigarette tobaccos. United States reported exports to West Germany during the 1947-54 period exceeded German duty-paid imports by about 105 million pounds. The bulk of this quantity is believed to be stocks held in bonded warehouses at the seaports of Bremen and Hamburg, but some of it may have been destined to other countries (intransit shipments) and recorded in United States statistics as exports to West Germany.

#### Leaf Utilization and Output of Products

The total quantity of leaf tobacco used by manufacturers during the fiscal year beginning April 1, 1954, is estimated at about 195 million pounds -- up 23 percent from the 1950 level. The quantity of leaf used for the various products last year (with the quantity for fiscal 1950 shown in parentheses) was as follows: cigarettes, 104.7 million pounds (59.9); cigars, 62.3 million pounds (59.7); smoking tobaccos, including both fine-cut and pipe tobaccos, 27 million pounds (37.6); and other products, .7 million (.8).

Western Germany: Utilization of leaf tobacco in the production of the various tobacco products, 1947 through 1954 1/

Fiscal Year :			Smoking Tobacco			
(Beginning April 1)	Cigarettes	Cigars	Fine Cut	Pipe	Other	Total
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
1947	14,323	11,124	6,262	826	32,535	
1948	26,538	19,029	14,164	964	60,695	
1949	54,073	36,589	38,201	1,218	130,081	
1950	59,897	59,745	31,104	6,541	830	158,117
1951	69,761	57,283	30,837	6,271	793	164,945
1952	76,641	58,229	25,419	5,963	731	166,983
1953	90,925	60,954	24,159	5,277	741	182,056
1954 <u>2/</u>	104,700	62,300	22,700	4,300	740	194,740

1/ Excludes tobacco substitutes, stems, scraps, etc.

2/ Estimated in FAS.

Source: Statistische Berichte.

There has been a marked shift in the pattern of output of tobacco products. Cigarette output rose from 28.8 billion pieces in fiscal 1950 to nearly 40.7 in 1954; cigar output, which increased following World War II through 1952, has declined, and totaled only about 4.4 billion pieces, compared with 4.6 billion at the 1952 peak. The output of smoking tobaccos continues to decline in favor of cigarettes.

Western Germany: Output of tobacco products, 1947 through 1954

Fiscal Year :			Smoking Tobacco		Chewing	Snuff	Estimated
(Beginning April 1)	Cigarettes	Cigars	Fine Cut	Pipe	Tobacco		Total
	Million	Million	1,000	1,000	Million	1,000	1,000
	Pieces	Pieces	Pounds	Pounds	Pieces	Pounds	Pounds
1947	6,632	1,142	8,817	18.6	1,763	41,715	
1948	11,701	1,833	18,310	40.7	1,358	72,497	
1949	22,386	2,395	36,118	51.9	1,253	135,320	
1950	24,755	4,253	34,813	41.3	1,241	161,969	
1951	28,654	4,542	34,502	40.0	1,146	174,708	
1952	31,540	4,639	30,331	34.7	1,019	177,941	
1953	36,861	4,469	29,957	31.6	899	186,900	
1954 <u>1/</u>	40,664	4,385	27,260	29.8	875	188,587	

1/ Partially estimated.

Source: Statistische Berichte.

## Consumption and Retail Prices

Consumption of cigarettes in West Germany totaled 40 billion pieces in 1954. Consumption last year was nearly 70 percent greater than in the fiscal year beginning April 1950. As stated in the "Outlook", about 97 percent of all cigarettes smoked in Germany in prewar were of a straight-oriental type. After the war, German smokers turned to the American-type blended cigarette and the percentages were almost exactly reversed - over 95 percent American blend. However, since 1950, the sales of straight oriental-type cigarettes have risen from 4 percent of total sales to 16.7 percent during the month of March 1955.

Western Germany: Consumption of tobacco products as indicated by tax-paid withdrawals, 1947 through 1954

Fiscal Year : (Beginning : April 1)	Cigarettes :	Cigars :	Smoking Tobacco :		Chewing : Tobacco :	Snuff :	Estimated Total
			Fine : Cut :	Pipe :			
	Million Pieces	Million Pieces	1,000 Pounds	1,000 Pounds	Million Pieces	1,000 Pounds	1,000 Pounds
1947	5,998	1,039	8,374		18.4	1,762	38,392
1948	8,851	1,375	14,623	4,173	40.4	1,382	60,215
1949	22,047	2,211	35,355	11,426	50.7	1,213	131,271
1950	23,737	3,848	34,445	10,676	40.5	1,144	154,031
1951	28,263	4,098	34,039	10,701	39.2	1,105	167,839
1952	30,706	4,332	29,925	9,650	34.7	1,010	171,432
1953	36,602	4,306	29,380	8,209	31.9	944	181,654
1954	40,045	4,331	26,855	7,536	29.1	906	186,956

Source: Statistische Berichte and Statistisches Jahrbuch für die Bundesrepublik Deutschland.

Currently, about 78 percent of the cigarettes smoked in Germany are of the American blended type (including filter-tip). Straight Virginia-type accounts for about 1.5 percent and the dark type "Schwarze" from 3 to 4 percent of the total sales. Consumption of filter-tip cigarettes has increased substantially and represents about 8.4 percent of total sales, as compared with only 2.3 percent in 1951.

The decline in consumption of fine-cut tobacco, chiefly used for "roll-your-own" cigarettes, has been due to consumer preference for factory-made cigarettes. Pipe smoking is also becoming less and less popular in Germany.

Consumption of chewing tobacco and snuff continued their downward trends through fiscal 1954. Consumption of cigars has been relatively stable during the last three fiscal years.

The German Government controls retail prices, leaving tobacco processors very little leeway for the adjustment of production costs. Pricing of tobacco products is to a large extent influenced by taxation. Immediately following the

manufacture of tobacco products excise revenue stamps must be applied to the wrappings. Also, the import duties and the raw material tax (levied only on the cigarette industry) must be paid. Cigars are exempted from immediate application of excise stamps and may be stored in Government-controlled warehouses. Stamps are applied when they leave the warehouse to be sold to the retail trade.

Western Germany: Average retail prices of tobacco products,  
1947 through 1954

Fiscal Year : (Beginning April 1)	Pfennigs per piece			RM/DM per kilogram		
	Cigarettes	Cigars	Chewing Tobacco	Fine Cut	Pipe	Snuff
1947	16.41	47.36	68.15	62.56	48.86	20.53
1948	13.96	36.52	57.03	47.19	34.58	17.09
1949	10.29	28.86	36.23	37.77	22.51	12.85
1950	10.15	19.12	36.55	36.49	20.65	12.67
1951	10.14	18.80	36.89	35.04	20.15	12.47
1952	10.15	18.46	37.83	34.42	19.58	12.57
1953	8.73	18.69	37.72	29.68	16.70	12.62
1954	8.59	18.87	37.62	29.02	16.89	12.68

Source: Statistische Berichte and Statistisches Jahrbuch für die Bundesrepublik Deutschland.

Since 1947, average retail prices of tobacco products have declined substantially due to successive reductions in excise tax rates. Average retail prices for cigarettes during fiscal 1954 were 8.59 Pfennigs (2.05 U.S. cents) per piece; cigars, 18.87 Pfennigs, (4.5 U.S. cents) per piece; chewing tobacco, 37.62 Pfennigs, (8.97 U.S. cents) per piece; fine-cut tobacco, 29.02 Deutsche Marks per kilogram (3.14 U.S. dollars per pound); pipe tobacco, 16.89 Deutsche Marks per kilogram (1.83 U.S. dollars) and snuff tobacco 12.68 Deutsche Marks per kilogram (1.37 U.S. dollars per pound). 1/

### Taxation and Revenues

All tobacco imported into the Federal Republic is subject to an import duty plus a 4 percent turnover tax, calculated on the basis of the invoice value. For tobacco products there are substantial import duties, and a turnover tax of 6 percent is also levied.

Excise duties are levied on the various manufactured tobacco products as a percent of the retail price. The rate at which the various products are taxed varies greatly and favors those products which contain a high percentage of domestic tobacco. Lower rates are for products containing more than 50 percent domestic leaf. These special rates were reintroduced in 1951 and were revised downward in June, 1953. The overall downward revision in excise tax rates in mid-1953 was accompanied by the reintroduction of special tax rates on cigarettes containing domestic leaf, just as in prewar years. All excise rates have been greatly reduced since 1946.

1/ The official rate of exchange during fiscal 1954 was one Deutsche Mark equalled 23.84 U.S. cents.

Western Germany: Excise taxes (range or average) levied  
on tobacco products for periods

Item	Effective date of the rate					
	Jan.	July	Nov.	Feb.	July	June
	1935	1946	1948	1950	1951	1953
	Percent of retail price					
Manufactured products:						
Cigars	43.5	90	46	30-35	28-33	23
Cigarettes	22.2-33.3	80-90	60	60	58	52.7-57.6
Fine-cut tobacco	50	90	55	55	50-53	1/ 31.0-47.6
Pipe tobacco	32	80	45	45	43	25.0-28.0
Chewing tobacco	50	70	20	20	18	6.3-17.5
Snuff	10	70	25	25	23	12
	RM/DM per unit					
Raw materials:						
Cigarette wrapper (per 1,000 pieces)	1	10	5	5	4.8	1.0
Semi-processed cigarette tobacco (per 100 kilos)	430	850	550	550	550	---
Tobacco substitutes (per 100 kilos)	140	700	200	200	200	200

1/ Containing at least 50 percent domestic leaf the rate is from 31.0 to 37.5 percent of the retail price.

Source: Statistische Berichte and Consular reports.

In addition to the excise taxes on manufactured products, manufacturers, particularly cigarette processors, must pay an excise tax on raw materials used. The excise tax on semi-processed cigarette tobacco was abolished in June, 1953. The raw material and turnover tax is refunded to the manufacturer if the products are exported.

Excise taxes comprise the major proportion of the Government revenue derived from tobacco products. Revenues from import duties and turnover taxes represented 2.4 and 3.8 percent, respectively, of the total retail value of all tobacco products during fiscal 1954. Tobacco revenues, as a percent of total retail values of all tobacco products, have declined from about 75 percent in 1947 to about 56 percent during fiscal 1954, but still exceed the 43 percent during the prewar years. Total revenues derived from tobacco products account for 6.5 percent, in contrast to about 7.8 percent in prewar, of the total revenue collected by the German Government.



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## THE FRENCH TOBACCO MARKET 1/

### Outlook for United States Leaf

(1) The sale of United States tobacco to France continues to be restricted by the shortage of dollar exchange. Imports of tobacco into France are reserved to the Monopoly, which carries on all activities of the French industry, except retail sales. In recent years, imports from the United States have been confined to kinds of tobacco required by the Monopoly which were not available from non-dollar sources. Although the dollar shortage is not acute at the present time, French controls on dollar imports still exist, partly due to the argument that dollar earnings from the commercial sales of goods to the United States are not sufficient to balance the dollar expenditures.

(2) Exports of United States tobaccos to France are affected by the French Government's policy of encouraging self-sufficiency, its commitments to import increasing quantities from the colonial possessions and the variety of trade-agreements and arrangements with other sources of supply.

(3) Price, rather than quality, is the prime consideration governing purchases of foreign tobaccos. This factor has been partly responsible for the sharp decline in exports of United States fire-cured tobaccos and probably will continue to affect the level of purchases from this country. Another factor has been the French desire to make milder dark cigarettes and smoking mixtures, by the increased use of mild, dark and sun-cured leaf from non-U. S. sources. Limited quantities of United States fire-cured tobaccos, however, will be needed to add flavor to the domestic and overseas leaf.

(4) Imports of United States cigarette tobaccos -- flue-cured, Burley and Maryland -- are expected to be maintained and possibly increased. The French use flue-cured tobacco in two English-type brands and two American-type brands of cigarettes. The output of these four brands totaled 2.3 million pounds in 1954. They represented, however, less than 2.5 percent of total output during the last two years. Maryland leaf is used with Madagascar Maryland in three French-type brands of cigarettes whose output also has been increasing.

(5) Purchases of non-U. S. flue-cured and dark leaf may be affected by recent trade arrangements with the Federation of Rhodesia and Nyasaland. Imports of U. S. Burley will also be influenced by the level of purchases by the French Monopoly from Italy. Italian exports of Burley to France during 1954 totaled 3.3 million pounds.

1/ Based partially on observations made on a recent survey trip to Western Europe by R. A. Owen, Director, Tobacco Division, Foreign Agricultural Service, and partially on material available in the files of the Tobacco Division. The assistance rendered by members of the staff of the American Embassy at Paris, and by the officials of the French Monopoly, is acknowledged.

## Summary

France's domestic production of tobacco has increased substantially since prewar and now represents about 60 percent of the country's consumption of leaf as compared with about 40 percent prewar. Production in French overseas territories has also been increased, and the French Tobacco Monopoly has commitments to purchase a substantial portion of the production. Prewar, total French leaf imports averaged 59.1 million pounds annually, including 19.7 million pounds of United States leaf. During the war, when tobacco imports were sharply curtailed, leaf consumption averaged only about one-third of the prewar usings. At the end of the war, France imported large quantities of United States leaf to replenish its depleted tobacco stocks. Since that time, annual imports of United States leaf have fluctuated from .7 to 15.9 million pounds as influenced by the extent of United States aid programs. For the 1951-54 period, about 9 million pounds were imported annually.

During the 1947-51 period consumption of United States leaf greatly exceeded imports, with the difference coming out of stocks. During 1952-54, consumption of United States leaf was reduced to less than 6.0 million pounds annually and was less than imports during those years.

Tobacco production in both metropolitan France and its overseas territories is predominately dark air-cured types, with a strong aroma. As a result of its short dollar exchange position, and some change in consumer preference, the Monopoly has increased domestic production of leaf tobacco and shifted a substantial portion of its imports from the United States to soft currency countries. Purchases from "dollars" countries have been limited to amounts and types that could not be supplied by domestic production or by imports from non-dollar areas. Also, trade arrangements between France and the oriental tobacco-producing countries of Turkey, Greece and Yugoslavia have resulted in an increased use of oriental leaf in blends of dark tobacco products, and a corresponding decrease in usings of United States dark types of leaf. This trend may continue until the French dollar position is permanently improved, or some arrangement made to insure regular dollar purchases of tobacco by some other means. It is unlikely that United States dark types will be dropped entirely from the blends, but prospects are not favorable for increased proportionate usings of our dark tobaccos in the various blends.

## French Tobacco Monopoly

All phases of the tobacco industry in France are completely controlled by an agency of the Ministry of Finance and Economic Affairs, the Service d'Exploitation Industrielle des Tabacs et des Allumettes (Tobacco and Matches Administration). This agency, which monopolizes the production, manufacture and trade of tobacco in France, is commonly known as the S.E.I.T.A. There are no import duties or excise taxes on tobacco or tobacco products. The French Government receives the equivalent of duties and taxes in the form of profits earned by the Monopoly.

The French Monopoly was established in 1730, abolished in 1791, restored as the S.E.I.T.A. by Napoleon in 1810, and renewed every five years thereafter until 1892, when it was made a permanent organization. The purpose behind its early organization was to increase the revenue available for governmental operations. The Monopoly manages all economic activities relative to tobacco and

tobacco growing. The grower must conform to a certain number of administrative rules defined in a document called "Le Reglement de Culture."

The grower must obtain an authorization to grow tobacco by presenting a request to the mayor of his community by a date fixed by Prefectoral Order. This request is then submitted to a departmental commission, composed of officials of the Monopoly and growers which makes a final decision. It is the task of this commission to divide in the best manner the departmental (area) quota granted each year by the "Technical Committee." When the authorization is granted, the grower must conform to a certain number of controls, especially inventories, by which the Monopoly checks the number of plants set out and the number of leaves remaining for harvest, in order to prevent fiscal evasion. The laws in force likewise lay down rules for the delivery and the grading of tobacco. Tobaccos are classed according to their quality, and the grading is made independently by a representative of the Monopoly and a representative grower.

The price to growers is, according to the Law of Finance of March 31, 1919, fixed by a "Commission Paritaire" including at present eight representatives of growers and eight representatives of the Administration, and presided over by a Counsellor of State who arbitrates in case of disagreement. The price is composed of a uniform base price throughout France plus a series of very complex premiums based on the quality of the crop.

### Production

By the policy of fixing a favorable basic price and by establishing premiums for quality and for encouragement of production, the French Government has been successful in increasing the annual output from the prewar average of 73.0 million pounds to 125.7 million in 1954. Although the average yields

France: Area, yield and production of tobacco:  
averages, 1935-39 and 1947-51;  
annual, 1951 through 1954. 1/

Year	:	Area	:	Yield per Acre	:	Production
	:	<u>1,000 acres</u>	:	<u>Pounds</u>	:	<u>1,000 pounds</u>
1935-39 Av.	:	43.6	:	1,676	:	72,950
1947-51 Av.	:	71.1	:	1,481	:	105,326
1951	:	68.3	:	1,667	:	113,848
1952	:	69.1	:	1,514	:	104,626
1953	:	69.6	:	1,487	:	103,475
1954	:	71.2	:	1,783	:	126,985

1/ Farm sales basis.

Source: S.E.I.T.A., Ministry of Finance and Consular reports.

obtained since the war are below prewar, with the exception of 1954, the area planted has been substantially larger than in the prewar period. This expansion is attributable to the attractive prices paid to producers.

The effective price to producers for tobacco in France consists of a basic price plus premiums. The average basic price is fixed by the Government in December of each year for the crop harvested that year, for delivery to the S.E.I.T.A. in the first quarter of the following year. Although prices for the different grades of tobacco vary according to an established scale of values, the method of computing the price for each grade is such that the average price for the entire crop remains unchanged, regardless of the distribution of the tobacco among the various grades.

Premiums for the encouragement of production to producers are awarded for planting the following year an area in tobacco at least equal to the area harvested in the current year. In addition, a premium is paid for high yields. Premiums for the improvement of quality are computed after the tobacco is delivered to the Monopoly. The total deduction from the average price received by growers for taxes and assessments collected (family allowances, hail insurance and re-insurance) usually represents about 16 percent of the price paid to growers. Early in March, 1954 insurance assessments were reduced 2 percent, thus increasing the net price to growers for the 1954 crop. Of the 16 percent, 10 percent represents the assessment that producers paid for growing tobacco, which is a tax collected for the social security system (Fonds National de Solidarite' Agricole).

French tobacco consists almost entirely of dark air-cured types. Lighter varieties of the dark air-cured types include Dragon Vert, Paraguay and Alsace, have accounted for from 80 to 97 percent of the postwar total production of tobacco. The darker types include some Dragon Vert, Nijkerk and Auriac. Paraguay accounts for about two-thirds of the total production. The darker types are used in the production of chewing tobacco and snuff, while the lighter types are used in the production of the low and medium priced cigarettes and pipe mixtures.

### Trade

French foreign trade in tobacco consists mainly of imports of leaf. Exports of leaf and manufactured tobacco and imports of manufactured tobacco are composed of very small quantities handled by the Monopoly.

France's imports of unmanufactured tobacco have fluctuated widely in the postwar years, but have averaged about 6.0 million pounds above the prewar average.

Imports of sun-cured leaf from Algeria, the chief source of supply, rose to a postwar peak of 27.9 million pounds in 1954. Supplies from Madagascar have increased significantly since prewar. The French overseas areas have maintained their position as the chief source of imported leaf but there has been a shift in the relative importance of supplies received from other sources.

France: Imports of unmanufactured tobacco by country of origin:  
averages 1935-39 and 1947-51, annual 1951 through 1954

Country of Origin	: 1935-39 : : average :	: 1947-51 : : average :	: 1951 :	: 1952 :	: 1953 :	: 1954 :
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
United States	: 19,655	: 9,347	: 10,701	: 6,848	: 5,990	: 12,545
Brazil	: 1,190	: 4,738	: 1,242	: 3,522	: 1,343	: 3,142
Dominican Republic	: 1,075	: 3,245	: 23	: 2,384	: 1,175	: 723
Colombia	: 343	: 1,831	: 373	: 985	: 1,067	: 2,808
Paraguay	: 1/	: 1,341	: 324	: 3	: 5	: 22
Greece	: 1,668	: 5,705	: 10,530	: 14,226	: 8,097	: 14,959
Yugoslavia	: 246	: 3,251	: 8,209	: 8,618	: 5,998	: 5,957
Hungary	: 5,326	: 535	: 889	: 1,767	: 7	: 2/
Germany	: 1/	: 96	: 465	: 293	: 229	: 323
Italy	: 1/	: 180	: 899	: -	: 2,617	: 2,225
Bulgaria	: 556	: 499	: -	: -	: -	: -
Algeria	: 19,802	: 16,265	: 20,932	: 17,799	: 21,677	: 27,895
Madagascar	: 4,809	: 4,817	: 7,600	: 7,389	: 6,671	: 12,617
Turkey	: 1/	: 5,101	: 4,919	: 5,521	: 4,078	: 5,767
French Cameroons	: 1/	: 756	: 1,625	: 887	: 922	: 2,654
Indian Union	: 1/	: 1/	: 1/	: 1,039	: 408	: 1,329
French Equatorial Africa	: 1/	: 226	: 707	: 543	: 515	: 1,543
Indonesia	: 2,693	: 50	: 129	: 198	: 277	: 226
Other Countries	: 1,786	: 479	: 158	: 1,208	: 1,108	: 3,595
Total	: 59,149	: 53,462	: 69,725	: 73,230	: 62,184	: 98,330

1/ If any, included in "Other Countries." 2/ Less than 500 pounds.

Source: French Customs Bureau.

Imports from the United States, considerable both before the war and in some earlier postwar years have declined through 1953, but amounted to 12.5 million pounds in 1954 (mostly in Section 550 purchases). Imports from Latin America were considerable in 1946 and 1947 but have declined, while imports from Turkey, Greece and Italy have been much larger than in earlier postwar years.

This shift in sources of supplies was the result of restrictions imposed by the French Government on the use of dollars for tobacco purchases. Imports from the non-dollar countries for the most part have been provided for under bilateral trade agreements and are expected to continue.

Exports of United States leaf to France consist chiefly of Kentucky-Tennessee fire-cured and flue-cured, with small quantities of Burley and Maryland.

United States exports of unmanufactured tobacco to France by types,  
averages 1935-39 and 1947-51, annual 1951 through 1954

Type	: 1935-39 : : average :	1947-51 : : average :	: 1951 : : pounds :	: 1952 : : pounds :	: 1953 : : pounds :	: 1954 : : pounds :
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds	: pounds	: pounds	: pounds
	:	:	:	:	:	:
Flue-cured	: 1,071	: 1,684	: 1,875	: 5,746	: 2,269	: 2,653
Burley	: 214	: 1,675	: 649	: 974	: 707	: 2,137
Ky.-Tenn. Fire-cured	: 18,316	: 4,329	: 6,418	: -	: 1,720	: 6,658
Va. fire-cured	: 197	: 14	: -	: -	: 17	: -
Maryland	: 668	: 354	: 1,049	: 5	: -	: -
Green River	: 1/	: 240	: -	: -	: -	: 738
One Sucker	: -	: 747	: -	: -	: -	: 320
Cigar Leaf	: 140	: 1/	: -	: 2	: 16	: 75
Trimmings, Stems and Scrap	: 1	: -	: -	: -	: -	: -
	:	:	:	:	:	:
Total	: 20,607	: 9,043	: 9,991	: 6,727	: 4,729	: 12,581

1/ Less than 500 pounds. Source: Census Records, U. S. Department of Commerce.

Traditionally, France has been the most-important United States market for Kentucky-Tennessee fire-cured tobacco. Exports of Kentucky-Tennessee fire-cured to France, prewar, accounted for 37 percent of the total in contrast to 18 percent during the postwar (1947-51) period. Foreign aid shipments of United States tobaccos to France amounted to 70 percent of the total export value from 1948 through 1954.

The decline in United States exports of fire-cured tobacco to France during the postwar period can be attributed to increased demand for milder dark cigarettes and smoking mixtures. During the war, when supplies of U. S. fire-cured were cut off, consumers became accustomed to milder tobacco products than those smoked in prewar. As a consequence, the quantity of United States fire-cured types used in cigarettes and smoking mixtures is considerably below prewar proportions. Prewar, about 20 percent Kentucky was used in the ordinary cigarettes, such as Gauloises and Celtiques; this proportion declined to about 15 percent during the early postwar period, and has further declined to less than 5 percent during the past few years.

The acute dollar shortage resulted in increased imports of oriental types of tobacco, which further modified consumer taste for fire-cured leaf. Also, the relative price differential between United States fire-cured tobaccos and other foreign dark and sun-cured tobaccos, has resulted in reduced purchases of our dark leaf. The price factor in sales of United States tobacco to France has always been important, and became especially significant during the period of dollar exchange difficulties. The French tobacco industry is expected to rely mainly upon domestic and overseas territorial leaf but will continue to need certain quantities of U. S. low-priced dark tobaccos for blending purposes.

Foreign trade in manufactured tobacco products centers principally around cigarettes. Imports of cigarettes are obtained principally from the United States and the United Kingdom with small quantities coming from Algeria, Turkey, Egypt, and other European countries. Under the terms of the Geneva Agreement on Tariffs and Trade, France is committed, except in times of exchange difficulties, to import approximately 3.0 million pounds of cigarettes annually.

Imports of cigarettes from the United States are obtained through a compensation arrangement in exchange for French exports of cigarette paper to this country. Exports of oriental tobacco have been used in payment for American cigarettes under special trade arrangements with certain United States tobacco manufacturers.

Supplies of cigars are imported principally from Cuba, Italy and Algeria. Other manufactured products come from Tunisia, Belgium, United States and the United Kingdom. The export markets for tobacco products have been mainly the overseas territories and possessions with very small quantities going to West Germany, Italy and Belgium.

Exports of unmanufactured tobacco are insignificant. They increased from .6 million pounds, prewar, to 3.2 million in 1953, but declined to 1.2 million pounds in 1954. Switzerland has been the chief export market for French tobacco with the exception of the 1947-51 period when French Indochina was the most important outlet. Re-exports and shipments of unmanufactured tobacco totaled 6.1 million pounds during 1954. The Saar has been the primary outlet for these quantities which have been relatively constant since the World War II.

#### Utilization of Leaf and Output of Products

Leaf consumption by the French tobacco industry in 1954 was about 20 million pounds larger than the immediate postwar (1947-51) annual average of about 140 million pounds. The increase in consumption from the early postwar period has been greatest for the domestic types, followed by French Union dark air and sun-cured leaf and Oriental types. Total consumption of United States and other Western Hemisphere tobaccos has declined substantially. However, consumption of United States flue-cured and Maryland has increased.

In France, as in most European countries, there has been a shift in production from smoking mixtures and other products to cigarettes. Prewar, about 58 percent of the output was in the form of cut tobacco, 36 percent in cigarettes and 6 percent in other products. Since the war, output in the form of cigarettes has exceeded output in cut tobacco, and in 1954 cigarettes represented 68 percent of the total, cut tobacco only 30 percent, and other products less than 3 percent.

France: Consumption of unmanufactured tobacco, by types, for 1954  
with comparisons

Source of Tobacco	: 1947-51 : average	: 1951	: 1952	: 1953	: 1954
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>	: <u>pounds</u>
Domestic	: 76,590	: 86,892	: 88,058	: 84,826	: 91,894
French Overseas Territories	: 18,224	: 26,596	: 20,809	: 27,873	: 31,477
United States:					
Flue-cured	: 1,505	: 2,143	: 1,468	: 1,739	: 1,845
Burley	: 3,982	: 461	: 320	: 320	: 384
Maryland	: 66	: 108	: 110	: 121	: 174
Ky-Tenn. Fire-cured	: 7,828	: 8,466	: 4,407	: 2,701	: 2,712
Other types	: 1,486	: 143	: 249	: 392	: 289
Total U. S. A.	: 14,867	: 11,321	: 6,554	: 5,273	: 5,404
Other Western Hemisphere	: 16,622	: 5,212	: 6,248	: 4,288	: 4,956
Oriental	: 12,374	: 20,578	: 19,828	: 21,054	: 18,999
Others	: 1,327	: 2,831	: 4,475	: 7,317	: 7,273
Total	: 140,004	: 153,430	: 145,972	: 150,631	: 160,003

Source: S.E.I.T.A., Ministry of Finance.

The bulk of the postwar cigarettes consisted of dark-types, containing principally tobacco from France and its overseas territories, together with some admixture of oriental. Quantities of United States flue-cured tobacco used in certain brands is substantially above the prewar level and some further increase is possible. The demand for straight oriental cigarettes is very limited, and most of the oriental tobacco is used for blending with other tobaccos. Also, there has been an upward trend in cigarettes containing a large proportion of Maryland-type leaf. There are three brands of cigarettes produced by the Monopoly which contain about 50 percent Maryland-type leaf, principally from Madagascar.

France: Output of tobacco products; averages 1935-39 and 1947-51; annual 1951 through 1954

Year	Cigarettes	Cigars	Cigarillos	Cut Tobacco	Chewing Tobacco	Snuff	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	39,897	905	312	64,307	1,754	4,058	111,233
1947-51 Av.	65,004	712	258	49,681	1,415	1,702	118,772
1951	78,418	932	342	46,877	1,359	1,474	129,402
1952	78,412	910	428	41,616	1,296	1,495	120,157
1953	81,921	754	498	40,159	1,188	1,477	125,997
1954	89,899	827	525	39,297	1,138	1,254	132,940

Source: French Monopoly (S.E.I.T.A.)

France: Consumption of tobacco products, as indicated by sales; averages 1935-39 and 1947-51; annual 1951 through 1954

Year	Cigarettes	Cigars	Cigarillos	Cut Tobacco	Chewing Tobacco	Snuff	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1935-39 Av.	40,824	1,431	328	67,264	1,752	4,134	115,733
1947-51 Av.	64,829	696	261	49,835	1,432	1,746	118,799
1951	77,614	930	342	46,843	1,359	1,474	128,562
1952	82,011	930	419	42,677	1,265	1,543	128,845
1953	85,382	891	505	40,847	1,182	1,446	130,253
1954	80,616	884	525	39,676	1,164	1,349	124,214

Source: French Monopoly (S.E.I.T.A.)

# Consumption and Retail Prices of Tobacco Products

Consumption of tobacco products, as indicated by sales, increased from a prewar annual average of 115.7 million pounds to 130.3 million through 1953, but declined to 124.2 million during 1954. The sales of tobacco products in France have been dominated by the same tendencies as those existing in other European countries, namely, lower consumption of all tobacco products except cigarettes. The current consumption of cigars does exceed the 1947-51 average but represents only about 62 percent of the prewar average. Consumption of cigarettes has doubled that of prewar; whereas the consumption of the other manufactured tobacco products, excluding cigarillos, has decreased 42.3 percent.

The estimated consumption of cigarettes, by brands and types, as indicated by sales, is shown in the following table:

France: Estimated consumption of cigarettes by brand and type, as indicated by sales, for 1938 compared with 1950 through 1953 <sup>1/</sup>

Brand and Type	: 1938	: 1950	: 1951	: 1952	: 1953
	: million	: million	: million	: million	: million
	: <u>pieces</u>	: <u>pieces</u>	: <u>pieces</u>	: <u>pieces</u>	: <u>pieces</u>
<u>Domestic manufactured</u>	:	:	:	:	:
Gauloises 2/ (French type)	: 12,700	: 26,050	: 28,220	: 30,525	: 31,671
Gitanes " "	: 800	: 1,500	: 1,520	: 2,455	: 2,657
Elegantes " "	: 1,012	: 1,500	: 815	: 450	: 365
Celtiques " "	: 440	: 850	: 440	: 490	: 500
Balto (American type)	: 240	: 535	: 530	: 525	: 460
Air France (American type)	: -	: -	: -	: -	: 60
High-Life (English type -	:	:	:	:	:
Straight Virginia)	: 3/	: 175	: 146	: 166	: 151
Week-End (English-type	:	:	:	:	:
Straight Virginia)	: 50	: 235	: 290	: 194	: 150
Others	: 3,458	: 855	: 1,839	: 1,925	: 1,847
<u>Imported</u>	:	:	:	:	:
United States	: 4/	: 175	: 590	: 678	: 654
United Kingdom	: 4/	: 25	: 230	: 305	: 214
Turkish	: 4/	: -	: -	: 15	: -
Other	: 577	: -	: -	: -	: -
<b>Total</b>	<b>: 19,277</b>	<b>: 31,900</b>	<b>: 34,620</b>	<b>: 37,728</b>	<b>: 38,729</b>

1/ Data for other years unavailable.

2/ There are three types of Gauloises cigarettes: ordinary, denicotinized and Maryland. The "ordinary" accounted for about 96.0 percent of the total sales of Gauloises brands during 1952 and 1953.

3/ If any, included in "Others" domestic manufactured.

4/ Breakdown by type unavailable.

Source: French Monopoly (S.E.I.T.A.)

Sales of cigarettes in France are predominantly the "Gauloises" brands which represented 66 percent of the total sales during 1938, and 82 percent in 1953. Sales of imported cigarettes are rather insignificant in the total aggregate but do exceed prewar quantities.

Retail prices of tobacco products are fixed by law, for both the French-made products and for imported products. Official statistics are not available for average retail prices of tobacco products, but are available by brands. Retail prices of French tobacco products during 1954 (July 1937 prices in parenthesis) were as follows: Cigarettes ranged from the equivalent of 22.8 to 48.6 (12.1 to 28.3) U. S. cents per package of 20. The oriental-type cigarettes are the highest in price, followed by the English type, and American-type blended, with the French dark-type the lowest. Retail prices for the American-type brands of cigarettes (Balto and Air France) during 1954 were 37.1 and 34.3 U.S. cents, respectively, per package of 20. Imported American and English type cigarettes usually retail for about 30 to 50 francs (8.6 to 14.3 U.S. cents) above the French-made American and English types. Cigars ranged from 4.0 to 21.4 (2.2 to 11.1) U.S. cents each. Cigarillos ranged from 2.1 to 3.4 (1.0 to 2.6) U.S. cents each. Cut tobacco ranged from 2.27 to 5.83 (1.38 to 3.67) U.S. dollars per pound. Chewing tobacco ranged from 2.59 to 3.89 (1.20 to 1.47) U.S. dollars per pound. Snuff ranged from 2.20 to 2.46 (1.47) U.S. dollars per pound. 1/

#### Taxation and Revenue

Taxation (represented principally by Monopoly profits) on tobacco products has been rather high in France as compared with certain other European countries. Revenues from tobacco are derived from a stamp tax, a production tax paid by growers, and a transaction tax. The importation of leaf is exempt from duties, and is reserved to the Monopoly. Products imported by the Monopoly are exempt from duties, but are dutiable if imported by an individual and not subject to resale. The quantity that can be imported by an individual is rather small. Regular import duties apply to such imports, plus 20 percent of duty paid value to cover the production and transaction taxes.

Taxes as a percent of the total retail value of all tobacco products represented about 80 percent during 1938, 75 percent in 1947, and about 72 percent from 1949 through 1952.

Revenue derived by the French Government from tobacco amounted to about 9.2 percent of the total revenue collected by the Government in prewar years, in contrast with about 6.2 percent from 1947 through 1952.

1/ Official exchange rates: 1937 - 1 Franc equaled 4.046 U. S. cents. 1954 - 1 Franc equaled .2856 U. S. cents.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 39-55

July 29, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Italian Leaf Exports Large in 1954

Italian leaf tobacco exports were at a high level in 1954. Exports totaled 35.5 million pounds last year, comprised of the following types: Fire-cured, 8.5 million pounds; Burley, 6.4 million; flue-cured, 410 million; Maryland, 1.4 million; Oriental, 14.4 million; and other types, 0.8 million pounds.

The Soviet Union, which took a total of 12.9 million pounds last year, was the largest purchaser. Most of the exports to that country consisted of Oriental tobacco, with the balance fire-cured. The second-largest market for Italian-grown leaf last year was France, which purchased 3.5 million pounds. Western Germany, the Netherlands, and the United Kingdom each took more than 2.0 million pounds. Exports to the United States, consisting entirely of Oriental leaf, totaled 1.9 million pounds.

Principal destinations, by types of tobacco, were as follows: Fire-cured -- Soviet Union, the Netherlands, Belgium, and Egypt; Burley -- France, West Germany, and Belgium; flue-cured -- the United Kingdom, the Netherlands, and West Germany; Maryland -- Switzerland and French Colonies; Oriental -- Soviet Union, United States, and Hungary.

Italy: Exports of Leaf Tobacco -- 1954

Country of Destination	Type of Tobacco						Total <sup>1/</sup>
	Fire- Cured	Burley	Flue- Cured	Mary- land	Orien- tal	Other	
	Million Pounds	Million Pounds	Million Pounds	Million Pounds	Million Pounds	Million Pounds	Million Pounds
Soviet Union	2.7	-	-	-	10.2	-	12.9
France	-	3.3	-	.2	-	-	3.5
West Germany	.4	1.5	.3	-	.6	-	2.8
Netherlands	1.3	.1	.8	-	.2	-	2.4
United Kingdom	-	-	2.2	-	-	-	2.2
Switzerland	2/	.4	.1	.6	.3	.5	2.0
United States	-	-	-	-	1.9	-	1.9
Belgium	1.0	.6	.2	-	-	-	1.8
French colonies	.6	-	.1	.6	-	.3	1.6
All other <sup>3/</sup>	2.5	.5	.3	-	1.2	2/	4.4
Total	8.5	6.4	4.0	1.4	14.4	.8	35.5

<sup>1/</sup> Totals may not add, due to rounding. <sup>2/</sup> Less than 50,000 pounds. <sup>3/</sup> Largely Egypt, Sweden, Belgian Congo, East Germany.

Source: Consular information.

U. K. First Quarter Tobacco Imports

Imports of unmanufactured tobacco by the United Kingdom during the January-March period of 1955 totaled 49.4 million pounds. This was slightly below the 50.7 million pounds imported during the first quarter of 1954. Flue-cured tobacco accounted for 42.4 million pounds of the 1955 figure, of which the United States supplied 11.2 million. Canada, which supplied 21.8 million pounds of flue-cured during the January-March 1955 period, was the principal source. Gross clearances from bond, which approximate total factory usings, totaled 70.2 million during the first 3 months of 1955 -- up slightly from the corresponding period of last year. Clearances of Commonwealth leaf were somewhat under a year ago; non-Commonwealth leaf, mostly of United States origin, was a little ahead.

Swiss Tobacco Imports Up

Switzerland's imports of unmanufactured tobacco, as indicated by bond clearances, during the first 3 months of 1955 totaled 6.4 million pounds -- up 6.8 percent from 6.0 million pounds imported during the corresponding period of 1954.

Imports of United States leaf increased 2.5 percent from the corresponding quarter of 1954. Bond clearances of oriental tobaccos (Turkish and Greek) have increased about 31 percent, indicating larger usings of these tobaccos by Swiss manufacturers. In addition to the bond clearances of tobaccos (mainly flue-cured) from Southern Rhodesia and India, manufacturers have been importing small quantities, presumably flue-cured, from Japan, Canada, China, and Thailand during recent years in direct competition with United States leaf.

### Smaller Fire-Cured Crop in Nyasaland

Output of fire-cured tobacco in Nyasaland in 1955 is now placed at about 18.5 million pounds. This is considerably below an earlier forecast, and is 22 percent below the 1954 harvest. It is also below the 1947-51 average production of almost 21 million pounds. In an attempt to restrict production to more adapted areas and thus improve yields and quality, the number of native growers registered for the fire-cured crop harvested in 1955 were about one-fifth fewer than the actual number of producers in the previous year. Prolonged rains during the growing season adversely affected both yields and quality, with the result that output is below earlier expectations.

Nyasaland is the third ranking producer of fire-cured tobacco -- surpassed only by the United States and Italy. In 1954, the country produced 20 percent of the world's fire-cured output.

### Tobacco Increased in Renewed German-Bulgarian Trade Pact

An increase in tobacco purchases by Germany from \$1 to \$2.5 million in fiscal 1955-56 is included in the trade agreement between Germany and Bulgaria, which was extended for another year beginning April 1, according to Die Tabak-Zeitung (Tobacco Gazette-Mainz), of May 20.

Agricultural commodities worth \$7.4 million are included in \$11.5 worth of supplies to be sent by Bulgaria to Germany in exchange for industrial goods valued at \$12.1 million.

Tobacco purchases by Germany will be contingent on quality and price. German imports (arrivals) of Bulgarian leaf amounted to about .9 million pounds in 1953 and about .6 million in 1954.

### Sales of Cigarettes Containing U. S. Leaf Drop in Japan

Japanese smokers increased their purchases of cheaper brands of cigarettes and sharply reduced consumption of more expensive kinds during Japanese fiscal year 1954 (April 1, 1954 to March 31, 1955), according to Joseph C. Dodson, Assistant Agricultural Attache, American Embassy, Tokyo.

The more expensive brands contain substantial amounts of high grade American flue-cured tobacco and range in price according to percentage of this leaf used in the blends. Exports of flue-cured tobacco from the United States to Japan in 1954 were 30 percent below the previous year's exports. If the sharp decline in sales of the better cigarettes continues, a further reduction in exports of high grade flue-cured tobacco to Japan may occur.

Sales of the 3 most expensive brands of cigarettes totaled 26.8 billion pieces in Japanese fiscal year 1954, as compared with 37.9 billion in the previous year, a decline of almost 30 percent. In relation to total cigarettes sold, these 3 brands accounted for 28 percent of the sales in 1954 and for 42.4 percent in 1953. Sales of Fuji cigarettes, which retail for the equivalent of 30.7 cents (U.S.) per pack of 20, declined about 70 percent from 1953 to 1954, while Peace and Hikari brands, selling for 23 cents and 15.3 cents per pack, respectively, declined 49 and 16 percent in the same period.

On the other hand, the Shinsee brand, retailing for about 10 cents for 20 cigarettes, increased in quantity sold from 23.7 billion in 1953 to 39.1 billion in 1954, an increase of 65 percent. This brand accounted for 26.5 percent of total sales in 1953 and for 41 percent in 1954. Sales of the Golden Bat brand, which sells for 7.7 cents per pack of 20, and which was the leading brand in fiscal year 1953, increased slightly in 1954, but accounted for about the same percentage of total sales.

Total cigarette consumption in Japan increased almost 7 percent from fiscal year 1953 to 1954 and totaled 95.6 billion in the latter year. At the same time, the average price paid for cigarettes declined about 9 percent as a result of the shift to cheaper brands, and total expenditure for cigarettes dropped slightly from \$558 million in 1953 to \$549 million in 1954.

#### Norway's Tobacco Consumption Up in 1954

Tobacco consumption in Norway during 1954 was slightly above that for 1953. Increases of 5.7 percent in cigarettes and 3.5 percent in smoking tobacco were noted. Cigarette consumption, based on revenue stamps sold, rose from 1,254 million pieces in 1953 to 1,326 million in 1954. Smoking tobacco increased in volume from 5.7 million pounds in 1953 to 5.9 million last year. There was a 14 percent gain in the number of cigarette papers sold, indicating a larger proportion of smoking tobacco is being used for "roll-your-own" cigarettes.

The United States continued to be the principal source of Norway's tobacco imports in 1954. Imports from this country (based on the quantity of tobacco cleared from bond) amounted to 7.9 million pounds, or 86.5 percent of the total. In 1953, United States leaf accounted for 85.9 percent of total imports. Most of the remainder in both years consisted of oriental leaf from Turkey, and flue-cured from Southern Rhodesia and British East Africa.

#### Rhodesian Flue-Cured Tobacco Prices and Sales Up

Sales of Southern Rhodesian flue-cured tobacco at the Salisbury auction markets in the first 16 weeks of the current season (through June 30) totaled 75.6 million pounds, as compared with 69.8 million pounds sold in a similar period last year. The average price of 43.5 pence (50.75 U. S. cents) per pound received thus far in 1955 is about 11 percent above the average of 39.17 pence (45.6 U. S. cents) per pound received in the first 16 weeks of last year. Average prices in recent weeks have increased from the levels prevailing in the first 7 weeks of the season when the average was about 42 pence per pound. This is due primarily to greater demand for the medium and lower grades. It is also believed that the quality of the leaf offered this year is considerably higher than in previous years.

Prices paid for North-Western Rhodesian flue-cured leaf on the Salisbury markets averaged 41.96 pence (48.95 U. S. cents) per pound through June 30 of this year, or 17 percent above the 1954 average for a comparable period. Sales of this leaf have totaled 3.4 million pounds as compared with 3.2 million last year.

Sales of North-Eastern Rhodesian flue-cured tobacco at Salisbury through June 30 amounted to more than 1.1 million pounds, but were less than last year's total for a similar period. Prices received are about 16 percent higher than last year and have averaged 32.59 pence (38.02 U. S. cents) per pound in 1955.

Prices received for flue-cured leaf at the Limbe auctions in Nyasaland through June 30 have averaged 28.13 pence (32.82 U. S. cents) per pound and are 10 percent below the 1954 level. Sales have totaled 3.2 million pounds as compared to almost 2.8 million through June 24 of 1954.

Total sales of flue-cured tobacco in the Central African Federation so far this season have amounted to 83.3 million pounds and have brought an average of about 42.7 pence or almost 50 U. S. cents per pound. Total sales for a comparable period in 1954 were 77.3 million pounds, which sold for an average of about 38.5 pence or 45 U. S. cents per pound.

Up to June 30 the United Kingdom had purchased 39.4 million pounds of Southern Rhodesian flue-cured leaf, or 54 percent of the total, as compared with 40.3 million pounds or almost 58 percent of the total through July 8, 1954. Australian purchases of 6.3 million pounds or 8.6 percent of the total Southern Rhodesian leaf are at approximately the same level as in 1954. Purchases for the Union of South Africa have totaled 3.5 million pounds this year, while almost 4 million pounds have been bought for the local market.

Central African Federation: Sales and average prices received for flue-cured tobacco through June 30, 1955 with comparisons

Producing Area	1954 (through July 8)			1955 (through June 30)		
	Quantity:	Value	Value	Quantity:	Value	Value
	1,000	Pence Per:	U.S. Cents:	1,000	Pence Per:	U.S. Cents
	Pounds	Pound	Per Pound	Pounds	Pound	Per Pound
Southern Rhodesia	69,823	39.17	45.60	75,566	43.50	50.75
North-Western Rhod.	3,234	35.85	41.82	3,398	41.96	48.95
North-Eastern Rhod. <sup>1/</sup>	1,514	27.99	32.66	1,150	32.59	38.02
Nyasaland	<u>1/</u> 2,766	31.19	36.72	3,174	28.13	32.82
	:	:	:	:	:	:

<sup>1/</sup> Data for 1954 are for sales through June 24.

#### Greece Expects Bumper Tobacco Crop

The 1955 crop of oriental tobacco in Greece is forecast at 175 million pounds from 312,500 acres, according to a report from Print Hudson, Agricultural Attache, American Embassy, Athens. Estimates of both acreage and production are approximately 18 percent above 1954, when almost 149 million pounds were harvested from 265,500 acres. Although weather conditions were somewhat unfavorable early in the season, the situation has improved considerably in recent weeks and the crop is reported to be developing satisfactorily. If the estimated production is obtained, it will exceed the average output in the 1947-51 period by more than 54 percent and will be second only to the 1936 record crop of 178.5 million pounds.

Singapore Tobacco Firm Eager to Develop Trade Relations

Mr. Glenn A. Ruggles, Agricultural officer in Singapore, reports that the New China Commercial Co. Ltd., 94 Robinson Road, Singapore, Malaya, is eager to develop trade relations with a few United States Tobacco exporters. This company is primarily interested in importing flue-cured leaf to be used for manufacturing cigarettes.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D.C.

DEC 23 1955

FT 40-55

July 29, 1955

## SUMMARY OF PROGRAMS FOR SALE OF TOBACCO UNDER TITLE I OF PUBLIC LAW 480 AS OF JUNE 30, 1955 \*

Since the Department of Agriculture was given responsibility for administering the Title I program on September 9, 1954, arrangements have been made with 10 countries for the sale of United States tobacco. About 63 million pounds of tobacco valued at about 40 million dollars have been included in Title I programs, for which agreements had been signed as of June 30, 1955. The value of this tobacco represents 12.2 percent of the total market value of all commodities for which agreements have been signed as of June 30, 1955. The agreements signed and purchase authorizations issued as of June 30, 1955, are as follows:

Country	Agreements Signed		Purchase Authorizations Issued	
	Mil. lbs.	Mil. dollars	Mil. lbs.	Mil. dollars
Pakistan	3.6	3.0	1.6 1/	1.3
United Kingdom	22.0	15.0	22.0	15.0
Japan	6.2	5.12	6.2	5.12
Spain	9.0	4.5	1/	
Finland	3.8	2.2	3.8	2.2
Thailand	2.6	2.0	2.6	2.0
Italy	4.2	3.2	4.2	3.2
Austria	.9	.5	.9	.5
Korea	10.0	4.62	10.0	4.62
Israel	.25	.2	.25	.2
Total	62.55	40.34	51.55	34.14

1/ The purchase authorizations for the sale of Title I tobacco to Spain and for the remainder of the Title I tobacco to Pakistan are expected to be issued in the near future.

Purchase authorizations have been issued which include about 52 million pounds of tobacco valued at about 34 million dollars. Purchase authorizations

\* Copies of forms required in connection with the operation of the program may be obtained from the Foreign Trade Programs Division, Foreign Agricultural Service, USDA, the CSS Commodity Offices listed in section 11.15 of the regulations, and from the Fiscal Division, CSS, USDA, Washington 25, D.C. Questions relating to fiscal problems should be addressed to Fiscal Division, CSS, USDA, Washington 25, D.C.

for Pakistan and Spain are expected to be issued in the near future and will provide for the sale of the remainder of the tobacco for which agreements have been signed. The contracting periods and delivery periods provided for in the purchase authorizations are as follows:

Country	Purchase Authorizations	
	Contracting Period	Delivery Period
Pakistan	: Oct. 7, 1954-May 31, 1955	: May 18-Sept. 30, 1955
United Kingdom	: Oct. 7, 1954-July 31, 1955	: June 13-July 31, 1955
Japan	: July 7-Sept. 5, 1955	: July 7-Sept. 30, 1955
Finland	: June 15-Sept. 30, 1955	: June 15-Dec. 31, 1955
Thailand	: June 13-Sept. 30, 1955	: July 7-Sept. 30, 1955
Italy	: June 24-Aug. 15, 1955	: June 24-Sept. 30, 1955
Austria	: July 5-Aug. 31, 1955	: July 5-Nov. 30, 1955
Korea	: July 7-Oct. 31, 1955	: July 7-Dec. 31, 1955
Israel	: May 25-July 31, 1955 <u>1/</u>	: May 25-Aug. 31, 1955 <u>1/</u>

1/ The original Israeli purchase authorization issued on May 18 was amended on July 7 to provide for extending the final contracting date from June 30 to July 31, 1955 and extending the final delivery date from July 31 to August 31, 1955.

Public Law 480 provides that sales of tobacco and other surplus agricultural commodities for foreign currencies should be in addition to usual marketings and should not be unduly disruptive of world market prices. In order that Title I sales of tobacco will not displace usual United States exports for dollars, appropriate assurances have been obtained from foreign governments.

It is the purpose of P.L. 480 to create new markets and expand existing markets for U. S. agricultural products. Shipment of \$4.6 million worth of tobacco to Korea represents a new postwar development. During the prewar period (1933-37) imports of U. S. tobacco into Korea averaged about 1 million pounds annually; however, shipments of U. S. leaf tobacco have been negligible since the beginning of World War II. Some of the countries which are receiving U. S. tobacco under P.L. 480 plan to manufacture and introduce new brands of American-type cigarettes which will result in expanded uses of United States tobacco.

Section 104 (a) of Public Law 480 authorizes, among other purposes, the use of foreign currencies "to help develop new markets for United States agricultural commodities on a mutually benefiting basis." The agreements, concluded as of June 30, provide for the use of about 8.2 million dollars (2.3 percent of the total export market value of all programs) for market development. In this connection, the Tobacco Division of FAS is developing programs, in cooperation with the U. S. tobacco trade and certain foreign countries, which it is hoped will result in expanded uses of United States tobacco.

As of June 30, 1955, only about 4 million pounds of Title I tobacco had been exported. Most of the remaining tobacco authorized under signed agreements is expected to be exported during the first and second quarters of the current fiscal year.

A few of the negotiations, in which tobacco is included, initiated during the last fiscal year have carried over into the current year. Agreements with some of these countries may be concluded in the near future. In addition, a survey is being completed of other sales possibilities which may be negotiated during the current fiscal year.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 41-55

August 11, 1955

## DOLLARS MADE AVAILABLE FOR PURCHASE OF TOBACCO BY CAMBODIA

The Department of Agriculture has received information from Cambodia indicating that dollars have been made available for the purchase of United States tobacco. Prior to termination of the Cambodian-Vietnam free trade on December 31, 1954, the principal source of supply for the Cambodian cigarette market was the Saigon cigarette factories. Imposition of custom duties has made the price of Vietnam cigarettes prohibitive. The three following factories have been installed at Phnom Penh to produce cigarettes for Cambodian consumption:

Compagnies Khmere Des Tobac  
29 Route De Saigon  
Phnom Penh

Manufactures Cambodgiennes de Cigarettes  
29 Rue Van Vollenhoven  
Phnom Penh

Manufacture Khmere Des Tobacs  
60 Rue Sotehavong  
Phnom Penh





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 42-55

U. S. DEPARTMENT OF AGRICULTURE

August 23, 1955

## TOBACCO PRODUCTION IN THE NORTHERN HEMISPHERE FOR HARVEST IN THE SECOND HALF OF CALENDAR YEAR 1955

Total production of tobacco for harvest in the second half of calendar year 1955 in specified countries of the Northern Hemisphere is estimated at 5.83 billion pounds, about 2.2 percent above the 1954 output in the same countries.

The largest increases in production as compared with 1954 are expected in China, Japan, Greece, and Turkey, but significant increases are also expected in Yugoslavia, Iran, and Korea. Smaller crops than in 1954 are expected in several countries with the greatest declines reported in Canada, France, and Italy.

A substantial drop in total production of Burley tobacco in the Northern Hemisphere is forecast for 1955 as compared with 1954, while flue-cured and oriental tobacco are expected to show relatively large increases. Output of dark air-cured and light sun-cured will probably be slightly higher than in 1954.

### North America

The 1955 tobacco crop in the United States is estimated at 2.24 billion pounds. This is slightly above the 1954 harvest, in spite of a total acreage reduction of almost 9 percent.

The 1954 Canadian crop is estimated at about 142 million pounds as compared with an output of 184 million in 1954. Almost all the decline comes as a result of action by the Ontario Flue-Cured Tobacco Marketing Association to reduce flue-cured tobacco acreage in that Province.

Output in Puerto Rico at 34 million pounds is almost equal to the 1954 harvest in spite of a 10 percent reduction in acreage.

### Europe

Tobacco production in Western Europe is estimated at 605 million pounds and is approximately the same as last year. Acreages in Greece, Yugoslavia, and Spain are above last year and reflect a continuing upward trend in these areas. Output in Greece is estimated at 175 million pounds, 17.5 percent above last year. The 1955 Yugoslav production is placed at 72.8 million pounds and is 13 percent above 1954. The French tobacco crop is estimated at

105.3 million pounds, a decline of 21 million as compared with 1954, when unusually favorable weather conditions resulted in record yields and output. Acreage declines in Italy, Germany, and Belgium are expected to result in smaller crops this year than in 1954.

### Africa

Tobacco for harvest in the second half of calendar year 1955 in Africa is estimated at 48.5 million pounds, slightly above the 1954 crop. Output in Tunisia is expected to total 3.3 million pounds and is 19 percent above last year. Output in Algeria is expected to be about the same as in 1954 when 40.6 million pounds were harvested.

### Asia

Increases in tobacco production are forecast this year for practically all major producing countries in Asia which harvest in the second half of the calendar year. As a result, the total output in these countries is estimated at about 2.1 billion pounds in 1955, an increase of 8.4 percent as compared with 1954. China's crop is estimated at 1,425 million pounds or 6.3 percent higher than in 1954. Output in Japan is expected to reach 294 million pounds and exceed last year's harvest by 18.5 percent; while Turkey's crop is placed at 237 million pounds, 10 percent above the 1954 level.

## FORECAST OF PRODUCTION BY KIND

### Flue-cured

Output of flue-cured in these specified countries is expected to total 2,199 million pounds, almost 168 million pounds or 8.3 percent above the 1954 production in the same countries. Output in the United States is now estimated at 1,479 million pounds, and is 165 million pounds or 12.6 percent above the 1954 crop in spite of a 5 percent reduction in acreage.

A reduction of 30 percent in acreage allotments to the members of the Ontario Flue-cured Tobacco Growers Association is expected to result in a decrease of 42.6 million pounds in total flue-cured production in Canada in 1955 as compared with last year.

Japanese flue-cured production is expected to total 185 million pounds and exceed the 1954 harvest by almost 20 percent, primarily as a result of unusually favorable growing conditions in the producing area. It is estimated that flue-cured output in China in 1955 will be about 15 million pounds above 1954, while a small increase is expected in Korea.

### Burley

Total Burley production in these countries in 1955 is estimated at 576.5 million pounds, about 159 million pounds or 21.6 percent below the 1954 harvest. This decline is almost entirely due to the 25 percent reduction in acreage allotments for Burley production in the United States.

A slightly smaller Burley crop is expected in Germany, while Japan, Canada and Spain expect slightly larger crops.

Leaf Tobacco; Estimated production by kind, harvested in the second half of calendar year 1955 with comparisons - farm sales weight <sup>1/</sup>

Kinds	Average		1954 <sup>2/</sup>	1955 <sup>2/</sup>
	1935-39	1947-51		
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Flue-cured	1,176,784:	1,745,194:	2,030,746	2,198,570
Burley	338,343:	599,902:	735,375	576,514
Other light air-cured	97,384:	103,216:	115,922	116,188
Fire-cured	143,948:	122,082:	85,056	84,397
Dark air-cured	1,358,323:	1,393,004:	1,304,679	1,328,714
Light sun-cured	550,283:	606,590:	554,796	581,182
Dark sun-cured	108,957:	142,617:	111,520	117,540
Oriental	648,184:	724,321:	768,873	827,956
Total	<sup>3/</sup> 4,430,263:	<sup>4/</sup> 5,448,654:	5,706,967	5,831,061

<sup>1/</sup> Farm sales weight is about 10 percent above dry weight normally reported in manufacturing and export statistics.

<sup>2/</sup> Preliminary.

<sup>3/</sup> Includes 8,057 thousand pounds for Iraq, which is not identified by kind.

<sup>4/</sup> Includes 11,728 thousand pounds for Iraq, which is not identified by kind.

#### Other Light Air-cured

Maryland tobacco production in the United States is estimated at 43.4 million pounds, an increase of 2 percent as compared with the 1954 crop. This increase is almost offset by slight decreases in Italy and Japan, with the result that total output of other light air-cured is expected to be about the same as the 1954 harvest in these countries.

#### Fire-cured

Output of fire-cured tobacco in 1955 in the countries specified below is estimated at 84.4 million pounds, a little below the 1954 crop. An increase in Virginia fire-cured in the United States is more than offset by a decline in output of Kentucky-Tennessee fire-cured. Italy's production at 21.5 million pounds is only slightly below 1954.

LEAF TOBACCO: Estimated acreage, yield and production of specified North Temperate Zone countries harvested in the second half of calendar year 1955 with comparisons — farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39 : 1,000 acres	1947-51 : 1,000 acres	1955 2/ 1,000 acres	1935-39 : pounds	1947-51 : pounds	1955 2/ pounds	1935-39 : 1,000 pounds	1947-51 : 1,000 pounds	1955 2/ 1,000 pounds
<b>NORTH AMERICA:</b>									
Canada	69	113	131	1,103	1,144	1,364	76,556	123,445	141,900
United States	1,647	1,682	1,666	887	1,258	1,342	1,460,054	2,082,727	2,240,446
<b>CARIBBEAN:</b>									
Puerto Rico	44	35	40	673	769	840	29,393	26,921	34,010
Total for countries shown	1,760	1,830	1,837	-	-	-	1,566,003	2,239,093	2,416,356
<b>EUROPE:</b>									
Austria	2/	3/	1	3/	3/	1,460	1,460	3/	1,984
Belgium	6	5	5	2,500	1,924	2,058	16,431	9,432	8,000
France	44	70	71	1,676	1,557	1,785	72,995	109,070	105,291
Western Germany 4/	33	23	26	2,254	2,185	2,089	74,355	46,982	55,115
Greece	226	213	263	589	531	566	132,819	113,320	148,750
Italy	77	142	115	1,175	1,179	1,083	90,500	167,900	116,844
Spain	5/	16	51	52 5/	1,000	1,345	17,322	34,425	68,585
Sweden	1	1	6/	1,735	1,526	1,650	1,061	859	500
Switzerland	1	1	3	1,571	1,844	1,522	2,276	4,689	3,747
Yugoslavia	39	89	93	969	673	736	37,410	59,622	72,752
Total Western Europe	443	574	628	-	-	-	445,169	545,299	604,733
Total Eastern Europe 7/	221	290	261	-	-	-	211,221	221,449	212,300
Total Europe excluding U.S.S.R.	664	864	889	-	-	-	656,400	767,748	817,033
U.S.S.R.	490	520	520	1,129	865	865	525,000	450,000	450,000
<b>AFRICA:</b>									
Algeria	56	75	70	691	595	580	38,667	44,671	40,646
French Morocco	1	1	4	1,040	1,027	1,125	704	1,278	4,500
Tunisia	1	2	4	1,200	1,100	695	1,262	2,205	3,306
Total for countries shown	58	78	78	-	-	-	40,633	48,154	48,452
<b>ASIA:</b>									
Iran	35	40	42	900	722	640	34,542	29,355	32,187
Iraq	11	14	25	752	925	930	8,057	12,928	23,200
Lebanon	4	5/	8	600	705	580	2,350	3,525	4,651
Syria	11	5/	18	730	719	740	8,250	11,570	14,680
Turkey	194	304	386	661	638	675	128,505	194,109	236,995
China 8/	1,228	5/1,452	1,400	1,021	5/1,017	940	1,254,539	5/1,425,000	1,425,000
Japan	92	129	172	1,621	1,619	1,444	148,680	208,092	294,222
Korea	46	5/	61	1,239	5/1,302	1,072	57,304	59,080	68,000
Total for countries shown	1,621	2,004	2,112	-	-	-	1,642,227	1,943,659	2,098,935
Total excluding Eastern Europe	4,372	5,006	5,175	-	-	-	4,219,032	5,227,205	5,618,761
TOTAL FOR ALL COUNTRIES SHOWN	4,593	5,236	5,436	-	-	-	4,430,263	5,448,654	5,831,061

1/ Farm sales weight is about 10 percent above the average dry weight normally reported in export trade statistics. 2/ Preliminary. 3/ Not available. 4/ Data are for Western Germany only. 5/ Less than a 5-year average. 6/ Less than 500 acres. 7/ Includes estimates for Albania, Bulgaria, Czechoslovakia, Hungary, Poland and Rumania. 8/ Does not include Manchuria.

### Dark Air-cured

Dark air-cured leaf for harvest in the second half of 1955 is placed at 1,329 million pounds, an increase of 24 million pounds or 1.8 percent as compared with last year. The largest increases are in China, where output is estimated at 40 million pounds above 1954, and in Japan, where the crop is placed at 94.7 million pounds or almost 18 percent above last year.

An increase in acreage and production of cigar binder in the United States is more than offset by decreases in One Sucker, Green River, and cigar filler types, so that total dark air-cured production is placed about 1.6 percent below the 1954 output. A 21 million pound drop in dark air-cured production is expected in France as compared with last year, while output in Germany will probably be slightly lower.

### Light Sun-cured

Light sun-cured tobacco production in 1955 is estimated at 581 million pounds as compared with about 555 million in 1954. The increase is accounted for by an estimated increase of 25 million pounds in China and of 1.4 million pounds in Korea.

### Dark Sun-cured

Dark sun-cured tobacco production for harvest in the second half of 1955 is estimated at 117.5 million pounds. This is 6 million pounds above the 1954 harvest. Output of Virginia sun-cured in the United States at 4.6 million pounds is about one-fourth above the 1954 crop. An increase of 5 million pounds is estimated for China.

### Oriental (Turkish) and Semi-oriental

Increases in output of oriental tobacco in 1955 as compared with the previous year are forecast for all major producing areas except Italy and the Iron Curtain countries. No information is available in the latter areas and production is estimated to be the same as in 1954. Substantial increases in production are expected in Greece and Turkey, while smaller increases are indicated in Yugoslavia, Iran, and Syria. Production is estimated about 5 million pounds below last year in Italy.

Total output of oriental tobacco is placed at 828 million pounds, about 59 million pounds or 7.7 percent above the 1954 level.

FLUE-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/
	1,000	1,000	1,000	acres	acres	acres	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA:									
Canada	51	98	122	95	1,070	1,414	1,400	111,646	130,000
United States	981	1,010	1,042	994	876	1,261	1,421	1,246,160	1,479,450
EUROPE:									
Western Germany	-	2/	5	5	-	2/	1,550	1,500	8,267
Italy	2	8	15	14	1,900	1,963	1,659	16,100	24,383
Spain	-	2/	1	1	-	2/	1,200	800	1,500
Switzerland	-	-	1	1	-	-	1,500	1,327	1,300
Other Europe	5	10	12	12	1,534	1,311	1,163	13,111	13,500
ASIA:									
Turkey	-	-	1	1	-	-	650	-	822
China	150	302	300	315	1,006	830	1,000	250,900	300,000
Japan	46	58	109	118	1,616	1,500	1,568	86,887	154,745
Iraq	-	-	2/	2/	-	2/	-	-	185,072
Korea	15	13	27	30	1,456	1,400	1,087	18,990	32,800
Total	-	-	-	-	-	-	-	1,176,784	2,030,746
	-	-	-	-	-	-	-	1,745,194	2,198,570

See footnotes at end of circular.

LIGHT AIR-CURED BURLEY TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/
	1,000	1,000	1,000	acres	acres	acres	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA:									
Canada	9	8	3	4	1,195	1,183	1,500	10,040	6,000
United States	372	433	421	326	839	1,277	1,540	552,736	506,990
EUROPE:									
Austria	-	-	2/	2/	-	-	2/	-	1,500
Western Germany	-	2/	7	6	-	2/	1,800	5,500	11,200
Italy	2	6	7	7	2,200	2,283	2,077	13,700	14,881
Spain	2/	2/	15	16	2/	2/	1,375	6,425	22,000
Switzerland	2/	2/	1	1	2/	2/	1,600	1,641	1,100
AFRICA:									
French Morocco	1	1	3	3	800	1,100	1,175	878	3,650
ASIA:									
Iraq	-	-	2/	2/	-	2/	-	-	4,400
Japan	2	5	2	3	1,480	1,734	1,968	8,982	4,793
Total	-	-	-	-	-	-	-	599,902	576,514
	-	-	-	-	-	-	-	338,343	735,375

See footnotes at end of circular.

OTHER LIGHT AIR-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/
	1,000	1,000	1,000	pounds	pounds	pounds	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA:									
United States	37	49	51	769	795	850	28,345	39,112	43,350
Maryland									
EUROPE:									
Italy									
Maryland	1	3	3	2,500	2,500	2,327	3,400	7,800	7,055
Switzerland	2/	2/	2/	2/	2/	1,450	582	1,407	309
Western Germany						1,750		937	800
Other Europe (incl. U.S.S.R.)	60	63	63	1,076	871	873	64,557	54,897	55,000
ASIA:									
Japan		7	6			1,411		9,879	9,683
Total							97,384	103,216	116,188

See footnotes at end of circular.

FIRE-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/
	1,000	1,000	1,000	pounds	pounds	pounds	1,000	1,000	1,000
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
NORTH AMERICA:									
United States	23	11	9	810	1,165	1,060	18,304	13,005	12,322
Virginia fire-cured						1,260	84,733	56,803	49,680
Kentucky-Tennessee	105	51	40	813	1,124	1,181			
EUROPE:									
Italy	25	37	17	1,596	1,378	1,203	39,900	51,400	21,495
Other Europe (incl. U.S.S.R.)	1	1	1	800	875	900	511	874	900
Total							143,948	122,082	84,397

See footnotes at end of circular.

DARK AIR-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested				Yield per acre				Production			
	Average		1955		Average		1955		Average		1955	
	1935-39	1947-51	1,000	acres	1935-39	1947-51	1935-39	1947-51	1935-39	1947-51	1935-39	1947-51
	1,000	acres	1,000	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>												
Canada	4	4	4	3	1,243	1,230	1,215	1,210	5,102	5,000	5,000	4,100
Cigar	5	3	2	2	1,060	1,051	750	1,000	6,089	2,759	1,550	1,800
Other												
United States	21	17	15	13	844	1,138	1,406	1,339	18,959	19,228	20,250	18,235
One Sucker	19	10	8	7	838	1,082	1,400	1,350	15,788	11,147	10,640	9,990
Green River	42	43	33	32	1,273	1,517	1,578	1,684	53,575	64,583	51,240	48,500
Cigar Filler	34	40	29	31	1,462	1,536	1,634	1,608	47,836	61,065	47,717	50,641
Cigar Binder	10	14	13	13	955	1,064	1,264	1,272	9,108	15,233	16,432	16,488
Cigar Wrapper	3/	1	2/	3/	454	646	800	600	192	325	240	180
Puerto Rico												
Cigar Filler	44	35	39	35	673	769	840	922	29,393	26,921	32,940	32,910
Cheewing	-	-	1	1	-	-	840	922	-	-	1,200	1,100
<b>EUROPE:</b>												
Austria	-	-	1	1	-	-	1,460	1,460	-	-	484	484
Belgium	6	5	5	4	2,598	1,924	2,068	2,050	16,431	9,432	10,445	8,000
France	40	67	69	69	1,665	1,550	1,821	1,513	65,700	103,570	124,743	103,616
Legs	4	3	2	2	1,800	1,750	735	714	7,295	5,500	1,717	1,675
Other												
Western Germany												
Cigar (Havana and	2/	2/	13	13	2/	2/	2,493	2,450	41,000	25,800	33,069	31,000
Quordentheimer)	2/	2/	-	-	2/	2/	-	-	33,555	14,182	-	-
Other												
Italy	3	6	(	(	1,433	1,161	(	(	4,300	7,200	(	(
Benevento	2	5	(	(	1,458	1,540	(	(	3,500	7,700	(	(
Montano	1	1	(	(	760	500	(	(	500	200	(	(
Blending	2/	2/	(	(	2/	2/	(	(	600	900	(	(
Smiff and Nicotine												
Sub-tropical (cigar)	1	7	3	3	1,500	1,515	1,308	1,322	1,600	10,000	4,475	4,409
Spain	2/	2/	34	34	2/	2/	1,342	1,340	14,322	27,200	45,635	45,500
Valencia	-	-	1	1	-	-	700	700	-	-	771	771
Cigar Filler and Binder	-	-	2/	2/	-	-	2/	2/	-	-	133	130
Cigar Wrapper	1	1	3/	3/	1,735	1,526	1,650	1,600	1,061	859	560	500
Sweden												
Switzerland	1	1	1	1	1,000	1,200	1,500	1,475	1,000	1,641	1,100	1,047
Nontruso, Brenta, Monto												
Yugoslavia	4	9	8	10	1,122	795	1,115	780	4,490	7,155	8,746	7,716
Cigar and Dark Air-cured	319	345	364	364	1,122	930	878	875	357,647	320,952	318,550	318,550
Other Europe (incl. U.S.S.R.)												
<b>AFRICA:</b>												
Algeria	29	40	32	32	750	580	575	575	21,667	23,271	18,480	18,480
Tunisia	2/	2/	2/	2/	2/	2/	2/	2/	902	1,555	1,235	2,204
Arbi	2/	2/	2/	2/	2/	2/	2/	2/	360	650	1,543	1,102
Souffri												
French Morocco	2/	2/	1	1	2/	2/	936	900	204	400	930	850
Smiff												
<b>ASIA:</b>												
Iran	6	3	2	2	1,460	1,322	1,302	1,373	9,772	3,993	2,028	2,205
Tumbeki (water pipe)	-	-	2/	2/	-	-	2/	2/	-	-	110	110
Lebanon												
Tombac												
Syria	1	1	1	1	800	805	800	800	820	800	827	550
Turkey	1	1	2	2	350	350	776	750	386	360	1,721	1,700
China (cigar type)	501	500	500	570	1,026	1,000	850	850	514,003	500,000	440,000	480,000
Japan (native)	44	66	54	55	1,621	1,505	1,483	1,721	71,266	112,223	80,373	94,674
Iraq	-	2/	2/	2/	-	2/	2/	2/	-	1,200	1,200	1,200
Total	-	-	-	-	-	-	-	-	1,358,323	1,293,004	1,304,679	1,328,714

See footnotes at end of circular.

LIGHT SUN-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average	1954	1955	Average	1954	1955	Average	1954	1955
	1935-39 : 1,000 acres	1947-51 : 1,000 acres	1955 : 1,000 acres	1935-39 : pounds	1947-51 : pounds	1955 : pounds	1935-39 : pounds	1947-51 : pounds	1955 : pounds
AFRICA:									
Algeria	20	28	34	660	690	590	13,000	16,500	20,182
ASIA:									
China	491	525	500	1,022	1,048	1,000	501,818	550,000	525,000
Korea	31	31	32	1,145	1,293	1,049	35,465	40,090	33,578
Native Yanguiel	-	-	2	-	-	518	-	-	1,036
Total	-	-	-	-	-	-	550,283	606,590	581,182

See footnotes at end of circular.

DARK SUN-CURED TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average	1954	1955	Average	1954	1955	Average	1954	1955
	1935-39 : 1,000 acres	1947-51 : 1,000 acres	1955 : 1,000 acres	1935-39 : pounds	1947-51 : pounds	1955 : pounds	1935-39 : pounds	1947-51 : pounds	1955 : pounds
NORTH AMERICA:									
United States	3	3	4	844	1,112	900	2,769	3,330	4,620
AFRICA:									
Algeria	7	7	4	600	700	500	4,000	4,900	1,984
ASIA:									
Iran	14	9	4	990	867	891	14,370	7,862	3,527
Pipe China	86	125	100	1,021	1,000	1,000	87,818	125,000	105,000
Lebanon	-	2/	6	-	2/	401	-	1,225	2,409
Total	-	-	-	-	-	-	108,957	142,617	117,540

See footnotes at end of circular.

ORIENTAL TOBACCO: Estimated acreage, yield and production in North Temperate Zone countries harvested in second half of calendar year 1955 with comparisons

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/	1935-39	1947-51	1955 1/
	1,000 acres	1,000 acres	1,000 acres	pounds	pounds	pounds	1,000 pounds	1,000 pounds	1,000 pounds
EUROPE:									
Greece - Turkish	226	213	263	589	531	566	132,819	113,320	175,000
Italy - Semi-oriental	40	69	55	725	762	597	28,300	52,900	27,558
Yugoslavia									
Oriental (Prelep)	12	30	31	1,025	656	661	12,348	19,675	24,063
Semi-oriental (Jaka, Ravnjak, Trance, Otlja)	23	50	54	895	655	732	20,572	32,792	40,973
Other Europe (incl. U.S.S.R.)	327	331	341	935	850	805	305,846	281,615	274,350
ASIA:									
Iran - cigarette	15	28	36	700	615	582	10,400	17,500	26,455
Iraq			2/			2/			8,800
Lebanon									
Shak el Bent	2	2/	2/	390	2/	2/	780	400	132
Latakia 6/	2	2	2	785	800	1,000	1,570	1,600	2,000
Syria									
Latakia (Abu Riha) 6/	5	7	5	875	875	1,009	4,300	6,100	3,700
Samsun and Haffra			2			630			2,000
Hasan Kayf			3/			800	30	20	30
Semi-oriental									
Shak al Bent	5	8	10	620	580	610	3,100	4,650	8,400
Turkey									
Hasan Kayf			1			1,465			700
Oriental	193	303	382	663	699	557	128,119	193,749	233,795
Total							648,184	724,321	827,956

1/ Preliminary. 2/ Not available. 3/ Less than 500 acres. 4/ Includes some sun-cured that is partially fire-cured. 5/ Less than a 5-year average. 6/ Latakia fire-cured. Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research and other information.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

DEC 28

U. S. DEPARTMENT OF AGRICULTURE

FT 43-55

August 30, 1955

## UNITED STATES EXPORTS AND IMPORTS OF UNMANUFACTURED TOBACCO, JANUARY-JUNE 1955, WITH COMPARISONS

Total exports of unmanufactured tobacco for the first six months of 1955 rose 4.5 percent above exports for the January-June period of 1954.

Exports of flue-cured, Kentucky-Tennessee fire-cured, Virginia sun-cured, Green River, One Sucker, Black Fat, cigar wrapper, and stems, trimmings and scrap were larger than a year ago. Moderate decreases occurred in the other types.

The six-months total figure for 1955 was not as large as anticipated several months ago. This lag was the result of unforeseen delays encountered in negotiating and completing programs under Public Law 480.

### Flue-cured

Exports of flue-cured tobacco, at 120.4 million pounds, were 4.1 percent greater this year compared with a similar period a year ago. A number of important increases occurred this year. There were substantially larger takings by Belgium-Luxembourg, Denmark, West Germany, Austria, India, Pakistan, Thailand, Egypt and New Zealand. Significant decreases were noted for Uruguay, Netherlands, Finland, Italy, Indonesia and the Philippines.

### Burley

Exports of Burley during the January-June period of 1955 (15.2 million pounds) were somewhat below those for the corresponding period a year ago. The principal declines occurred in shipments to Mexico and Italy. Increases were noted for Denmark, Austria, Portugal and Australia. It should be mentioned that exports during the first six months of 1954 were much larger than usual.

### Kentucky-Tennessee Fire-cured

Exports of Kentucky-Tennessee fire-cured leaf, at 10.8 million pounds during January-June 1955, were 11.6 percent greater than those a year earlier. Important increases occurred in exports to Sweden, the United Kingdom and France. These increases more than offset smaller shipments to Denmark, Belgium-Luxembourg, Switzerland and a number of other countries, particularly

those in West Africa.

#### Virginia Fire-cured and Sun-cured

Exports of Virginia fire-cured tobacco, totaling 1.4 million pounds this year, were down about 14 percent from the level of the January-June 1954 period. This was largely accounted for in trade with Sweden. There were no exports this year to that country, compared with 233,000 pounds a year ago. Reported exports of Virginia sun-cured - almost entirely to Norway - totaled 64,000 pounds this year, compared with 28,000 during January-June 1954.

#### Maryland

Trade in Maryland leaf dropped 14.8 percent from a year ago - totaling 3.2 million pounds, against 3.8 million. Yugoslavia, which took 589,000 pounds in January-June 1954, took no Maryland leaf this year. This drop, together with a small decline in shipments to Switzerland, more than offset slightly larger takings by the Netherlands, Spain, and Tunisia.

#### Green River, One Sucker

Exports of both Green River and One Sucker increased substantially this year compared with the first six months of 1954. A large increase occurred in exports to the United Kingdom, and 325,000 pounds moved to Madagascar this year, against none during January-June 1954. Exports of One Sucker were also sharply higher, with Madagascar taking 980,000 pounds. Exports of Green River and One Sucker tobacco together totaled 3.4 million pounds this year, compared with only 1.2 million for the first six months a year earlier.

#### Black Fat

Exports of Black Fat tobacco were nearly one-third higher this year, totaling 2.6 million pounds, compared with 2.0 for the January-June period of 1954. Increases were confined to the West African countries which normally take the bulk of the Black Fat exports.

#### Cigar Leaf

Total exports of cigar leaf declined from 2.3 million pounds during January-June 1954, to 2.2 million for the first six months of this year. Cigar wrapper exports, however, were up 14.5 percent this year and totaled 1.8 million pounds for the six-months period. Binder exports dropped from 641,000 pounds to 452,000 pounds and filler from 158,000 pounds to only 8,000.

West Germany remained the most-important outlet for cigar leaf this year, taking 927,000 pounds of wrapper and 295,000 pounds of binder.

Belgium-Luxembourg was the next most-important cigar leaf market, with purchases of 273,000 pounds of wrapper and 38,000 pounds of binder during the January-June 1955 period.

Perique, Stems, Trimmings and Scrap

Exports of Perique totaled 85,000 pounds this year -- mostly to the United Kingdom. Exports of stems, trimmings and scrap rose to 1.6 million pounds this year from 1.2 million a year earlier.

UNITED STATES: Exports of unmanufactured tobacco from the United States by types, January-June 1955 with comparisons

Type	Calendar Years			January-June 1/		Percent
	Average 1947-51	1953	1954	1954	1955	change from Jan-June 1954
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Percent
Flue-cured	388,078	444,306	374,733	115,585	120,351	+ 4.1
Burley	32,865	25,007	29,562	16,662	15,236	- 8.6
Ky.-Tenn. fire-cured	24,591	19,485	20,945	9,669	10,794	+ 11.6
Virginia fire-cured	6,046	4,276	3,933	1,640	1,414	- 13.8
Virginia Sun-cured 2/	-	42	82	28	64	+128.6
Maryland	7,349	8,135	8,669	3,760	3,203	- 14.8
Green River	1,726	1,829	2,103	871	1,727	+ 98.3
One Sucker	3,063	1,023	864	334	1,653	+394.9
Black Fat	4,669	3,881	4,537	1,968	2,616	+ 32.9
Cigar Leaf:						
Wrapper 2/	-	3,901	3,401	1,540	1,763	+ 14.5
Binder 2/	-	3,100	1,723	641	452	- 29.5
Filler 2/	-	587	159	158	8	.6
Total Cigar Leaf	9,770	7,588	5,283	2,339	2,223	- 4.9
Perique	79	66	50	36	85	+136.1
Trimmings, Stems & Scrap	8,116	3,027	2,730	1,171	1,572	+ 34.2
Total	486,352	518,665	453,491	154,063	160,938	+ 4.5

1/ Preliminary.

2/ Class established January 1952.

Compiled in the Foreign Agricultural Service from official records of the Bureau of the Census.

UNITED STATES: Exports of unmanufactured tobacco  
by type and principal countries  
of destination, January-June  
1954-1955

FLUE-CURED			:	BURLEY		
Country	January-June		:	Country	January-June	
	1954	1955	:		1954	1955
	1,000	1,000	:		1,000	1,000
	pounds	pounds	:		pounds	pounds
Mexico	902	558	:	Mexico	2,360	306
El Salvador	300	300	:	Norway	170	114
Uruguay	977	124	:	Denmark	115	455
Norway	2,128	2,031	:	Netherlands	1,136	1,119
Denmark	2,239	3,151	:	Belgium and		
United Kingdom	15,220	15,970	:	Luxembourg	1,282	1,358
Ireland	2,695	2,966	:	France	-	444
Netherlands	13,275	8,744	:	West Germany	2,596	2,651
Belgium and			:	Austria	365	802
Luxembourg	2,480	8,840	:	Switzerland	424	281
France	-	131	:	Finland	554	49
West Germany	21,034	24,415	:	Portugal	2,462	3,328
Austria	1,106	2,506	:	Italy	2,333	-
Switzerland	1,322	1,217	:	Philippines	609	477
Finland	4,651	430	:	Hong Kong	257	513
Spain	736	1,089	:	Australia	59	802
Portugal	2,058	1,930	:	Egypt	455	324
Malta	352	625	:	Other	1,485	2,216
Italy	1,011	8	:	Total	13,662	15,236
Yugoslavia	182	-	:	DARK-FIRED KENTUCKY TENNESSEE		
India	437	2,593	:	Peru	110	-
Pakistan	1,035	1,425	:	Iceland	68	77
Ceylon	380	630	:	Sweden	108	748
Thailand	2,355	3,784	:	Denmark	466	239
Indochina	947	1,509	:	United Kingdom	411	1,206
Indonesia	6,844	3,388	:	Ireland	268	74
Philippines	10,918	8,705	:	Netherlands	1,442	1,396
Hong Kong	1,360	1,723	:	Belgium and		
Taiwan	549	618	:	Luxembourg	300	186
Japan	4,763	4,742	:	France	2,794	4,234
Australia	4,010	3,552	:	West Germany	259	325
New Zealand	3,972	4,475	:	Switzerland	929	268
Egypt	2,713	3,227	:	Azores	22	3
Nigeria	270	440	:	Spain	-	-
British East Africa	148	670	:	Portugal	86	56
Other	2,216	3,835	:	Italy	419	599
Total	115,585	120,351	:			

UNITED STATES: Exports of unmanufactured tobacco  
by type and principal countries of  
destination, January-June  
1954-55  
(Continued)

DARK FIRED KENTUCKY-TENNESSEE			:	VIRGINIA SUN-CURED		
Country	January-June		:	Country	January-June	
	1954	1955	:		1954	1955
	1,000	1,000	:		1,000	1,000
	pounds	pounds	:		pounds	pounds
	:	:	:		:	:
Indochina	51	121	:	Honduras	1	-
Indonesia	330	133	:	Norway	27	62
New Zealand	115	93	:	Switzerland	-	-
Algeria	116	-	:	Algeria	-	-
Cameroon	118	65	:	Other	-	2
French West Africa	262	194	:	Total	28	64
Gold Coast	153	36	:	MARYLAND		
Egypt	61	113	:			
Other	781	628	:	Denmark	22	-
Total	9,669	10,794	:	Netherlands	58	170
VIRGINIA FIRE-CURED			:	Belgium and		
			:	Luxembourg	175	199
Trinidad & Tobago	-	21	:	West Germany	341	293
Sweden	233	-	:	Switzerland	2,189	1,898
Norway	636	659	:	Spain	145	234
United Kingdom	53	295	:	Yugoslavia	589	-
Ireland	56	46	:	French Morocco	111	-
Netherlands	235	14	:	Tunisia	93	159
West Germany	57	50	:	Other	37	250
Austria	-	-	:	Total	3,760	3,203
Switzerland	119	75	:	PERIQUE		
Australia	107	63	:			
New Zealand	81	93	:	Norway	-	11
Other	63	98	:	United Kingdom	33	62
Total	1,640	1,414	:	Other	3	12
GREEN RIVER			:	Total	36	85
			:	TRIMMINGS, STEMS, AND SCRAP		
United Kingdom	678	1,201	:			
Netherlands	30	-	:	Sweden	225	261
Belgium and			:	Norway	108	81
Luxembourg	118	-	:	Denmark	68	84
Liberia	30	-	:	Netherlands	188	2
Madagascar	-	325	:	West Germany	54	227
Other	15	201	:	Jordan	78	79
Total	871	1,727	:	French Morocco	204	100
			:	Tangier	97	176
			:	Canary Islands	14	32
			:	Other	135	530
			:	Total	1,171	1,572

UNITED STATES: Exports of Unmanufactured tobacco  
by type and principal countries  
of destination, January-June  
1954-55  
(continued)

ONE SUCKER			TOTAL CIGAR (continued)		
Country	January-June		Country	January-June	
	1954	1955		1954	1955
	1,000	1,000		1,000	1,000
	pounds	pounds		pounds	pounds
Trinidad and Tobago	13	13	Algeria	16	-
Netherlands	-	-	Canary Islands	39	11
Belgium and			Other	164	123
Luxembourg	102	202	Total	2,339	2,223
Yugoslavia	-	-	CIGAR BINDER		
Canary Islands	26	-	Canada	72	22
Nigeria	180	69	Sweden	53	5
Madagascar	-	980	Denmark	8	17
Other	13	389	Netherlands	60	29
Total	334	1,553	Belgium and		
BLACK FAT			Luxembourg	113	38
Bahamas	11	3	West Germany	299	295
Netherland Antilles	17	12	East Germany	-	22
Canary Islands	47	9	Australia	25	3
Cameroon	44	42	Other	11	21
French West Africa	290	583	Total	641	452
Gold Coast	395	533	CIGAR FILLER		
Nigeria	1,131	1,345	Netherlands	31	-
Western Portuguese			Gibraltar	8	-
Africa	18	-	Indochina	110	-
Other	15	89	Algeria	-	8
Total	1,968	2,616	Other	9	-
TOTAL CIGAR			Total	158	8
Canada	218	160	CIGAR WRAPPER		
Brazil	19	26	Canada	146	138
Sweden	53	51	Brazil	19	26
Denmark	60	52	Denmark	52	35
Netherlands	191	97	Netherlands	100	68
Belgium and			Belgium and		
Luxembourg	324	316	Luxembourg	205	278
West Germany	1,105	1,222	West Germany	807	927
East Germany	-	162	East Germany	-	140
Gibraltar	8	0	Canary Islands	39	11
Indochina	116	-	Other	172	140
Australia	26	3	Total	1,540	1,763

## IMPORTS OF UNMANUFACTURED TOBACCO

Total imports of unmanufactured tobacco for the first six months of 1955 were 55.9 million pounds, up 6.3 percent from imports during a similar period a year ago.

### Cigarette leaf

Imports of cigarette leaf during January - June 1955 were 3 million pounds larger than those for the corresponding period a year ago - 42.0 million, compared with 39.0 million. Turkey was the largest supplier this year, furnishing 28.9 million pounds. Imports from Greece totaled 8.7 million pounds up slightly from a year earlier. Imports from Yugoslavia, at 1.8 million pounds, were nearly 700,000 pounds larger than a year ago.

### Cigar filler

Imports of cigar filler increased in the first six months of this year. Imports, practically all from Cuba, totaled 7.6 million pounds, compared with 6.8 last year.

### Cigar wrapper

Imports of cigar wrapper totaled 439,000 pounds for the January - June 1955 period - just about the same as for the same period of 1954. Cuba supplied 249,000 pounds this year, and Indonesia 188,000.

### Stems and Scrap

Total imports of stems and scrap (largely Cuban) were lower than for the six months period a year ago - 5.8 million pounds against 6.4 million.

UNITED STATES: Imports of unmanufactured tobacco  
by principal countries of origin  
January-June 1954-1955 with comparisons

Type and Country of Origin	Average: 1935-39	Average: 1947-51	1953	1954 1/	January-June 1/ 1954	1955
	1,000	1,000	1,000	1,000	1,000	1,000
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Cigarette Leaf:						
Turkey	20,595	46,848	56,884	55,965	27,441	28,888
Greece	19,119	9,327	14,318	15,570	7,618	8,672
Italy	2,981	237	1,210	1,919	837	932
Syria	802	3,838	3,295	2,898	1,581	1,342
Bulgaria	1,164	2,165	-	33	33	-
Soviet Union	368	2,783	-	-	-	-
Southern Rhodesia	-	1,154	260	2/ 183	81	2/ 38
Yugoslavia	-	411	1,390	2,253	1,156	1,828
Other Countries	1,604	415	617	512	258	306
Total	46,633	67,178	77,974	79,333	39,005	42,006
Cigar Leaf:(filler stemmed & unstemmed):						
Cuba	11,111	16,477	14,165	13,882	6,748	7,611
Philippines	6	279	582	34	3	-
Other Countries	20	11	30	41	5	7
Total	11,137	16,767	14,777	13,957	6,756	7,618
Cigar Leaf:(wrapper):						
Cuba	168	285	431	494	247	249
Indonesia 3/	1,927	804	445	387	194	188
Other Countries	3	21	50	-	1	-
Total	2,098	1,110	926	881	442	437
Stems and Scraps:						
Cuba	2,996	5,312	8,969	10,242	5,198	4,870
Philippines	5,686	309	2,303	1,416	851	683
United Kingdom	1,663	105	465	578	294	231
Other Countries	1,060	687	19	39	9	10
Total	11,405	6,413	11,756	12,275	6,352	5,794
Total Imports	71,273	91,468	105,433	106,446	52,555	55,855

1/ Preliminary.

2/ Federation of Rhodesia and Nyasaland.

3/ Includes Indonesian tobacco reshipped from the Netherlands.

Compiled in the Foreign Agricultural Service from official records of the Bureau of the Census.



# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 44-55

U. S. DEPARTMENT OF AGRICULTURE

August 31, 1955

## UNITED STATES EXPORTS OF MANUFACTURED TOBACCO JANUARY-JUNE 1955 WITH COMPARISONS

United States exports of all tobacco products combined, during the period January-June 1955, were valued at \$30.4 million - down 2.5 percent from the valuation of tobacco products shipped abroad during the corresponding period of last year. Exports of smoking tobacco (bulk and packages) increased this year, but the gain was insignificant to offset declines in the exports of other products.

### Cigarettes

During January-June 1955, total cigarette exports decreased 4.1 percent from the level of the six months period a year ago. Exports totaled 7.5 billion pieces this year compared with 7.8 billion. The largest decreases occurred in exports to the Netherlands Antilles, Colombia, Sweden, Belgium, Italy, the Philippines, and Tangier. Substantial increases were noted for Venezuela, France, and Spain.

Colombia showed the largest drop, taking only 38.6 million cigarettes during the January-June period this year, compared with 223.9 million for the similar period of 1954. Takings by the Netherlands Antilles (Curacao) dropped almost 100 million pieces from the January-June 1954 level.

On the other hand, exports to France were up to 473.6 million pieces, 19 percent larger than last year and Venezuela's takings, at 849.5 million were nearly 16 percent larger than a year ago.

### Cigars and Cheroots

Total exports of cigars and cheroots were considerably below the January-June 1954 exports. The quantity shipped abroad this year amounted to only 2.6 million pieces, valued at \$115,000, compared with 4.7 million, with a valuation of \$217,000 last year.

### Chewing tobacco, Plug and Other

Exports of chewing tobacco during the January-June period of 1955, totaled 652,000 pounds - down 19 percent from the similar period of 1954. Exports were lower to all important destinations this year.

Smoking tobacco

In contrast to other tobacco products, exports of smoking tobacco (bulk and packages) showed good gains this year. Total exports, at 3.1 million pounds, were nearly 50 percent larger than for the January-June period of 1954. The value of January-June 1955 exports was \$2.4 million, compared with \$1.6 million last year. Significant increases recorded in the quantities of bulk smoking tobacco shipped to Australia and Mexico accounted for the sharp rise in exports. During the January-June period of this year, 837,000 pounds of smoking tobacco went to Australia, against none for the same period a year ago.

# Comparison of the Exports of Manufactured Tobacco Products

	Average		Average		1954		January - June		1955
	1934-38		1948-52		1954		1954		1955
	Quantity:	Value:	Quantity:	Value:	Quantity:	Value:	Quantity:	Value:	Quantity:
	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :	: 1,000 :
	: dollars	: dollars	: dollars	: dollars	: dollars	: dollars	: dollars	: dollars	: dollars
Cigarettes (million pieces)	4,774	9,053	13,436	54,730	15,426	57,132	7,773	28,634	7,451
Cigars and cheroots (1,000 pieces)	3,201	435	5,112	353	8,228	384	4,659	217	2,601
Chewing tobacco (1,000 pounds)	1,787	708	2,142	1,434	2,118	707	304	680	652
Smoking tobacco (1,000 pounds)	967	601	2,344	1,720	5,217	3,921	2,094	1,624	3,085
Total value	: 10,802 :	: 58,237 :	: 62,204 :	: 31,155 :	: 30,373 :				

Compiled in Foreign Agricultural Service

Cigarettes: Exports by Country, Average 1934-38, 1943-52, annual 1954,  
and January-June 1954 and 1955

Continent and Country	Average		1954	January - June	
	1934-38	1943-52		1954	1955
	1,000	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces	pieces
North America	:	:	:	:	:
Iceland	: 106:	51,852:	125,355:	51,630:	73,700
Canada	: 11,865:	( :	( :	( :	( :
Newfoundland & Labrador	: :	( :	( :	( :	( :
Miquelon & St. Pierre	: 6,466:	(335,626:	(437,545:	(225,330:	(176,152
Mexico	: 6,119:	2,952:	2,300:	1,050:	600
Costa Rica	: 30,776:	294,061:	72,306:	57,816:	16,307
Panama Republic	: 23,528:	23,068:	20,730:	10,460:	7,070
Panama Canal Zone	: ( :	471,867:	554,954:	272,494:	262,605
Bermuda	: (388,844:	213,977:	135,610:	79,210:	60,166
Cuba	: 29,804:	59,962:	67,180:	29,620:	31,030
Haiti	: 46,834:	329,355:	303,467:	143,795:	174,913
Netherlands Antilles	: 19,147:	73,221:	42,214:	21,050:	15,075
Other	: 105,226:	1,019,092:	549,979:	317,333:	218,333
Total North America	: 42,029:	88,738:	126,398:	61,816:	50,294
	715,744:	2,963,771:	2,439,033:	1,271,604:	1,086,250
South America	:	:	:	:	:
Colombia	: 90,773:	242,551:	532,385:	223,880:	38,605
Venezuela	: 33,683:	1,131,296:	1,545,306:	734,449:	849,477
Ecuador	: 6,693:	126,337:	131,500:	32,600:	93,840
Peru	: 10,454:	62,730:	119,900:	61,600:	85,200
Uruguay	: 7,804:	143,431:	160,614:	51,759:	46,230
Argentina	: 63,643:	13,199:	2,630:	730:	120
Other	: 8,827:	29,740:	40,538:	19,318:	18,650
Total South America	: 226,892:	1,304,734:	2,533,373:	1,124,336:	1,132,172
Europe	:	:	:	:	:
Sweden	: 79,755:	509,259:	639,557:	417,480:	313,410
France	: 307,224:	383,530:	638,625:	398,025:	473,570
United Kingdom	: 93,754:	27,879:	35,900:	18,020:	22,240
Netherlands	: 127,916:	205,342:	337,982:	200,190:	173,310
Ireland	: 203:	10,777:	9,334:	4,905:	4,870
Belgium	: 63,404:	934,630:	848,739:	413,712:	324,914
Switzerland	: 16,235:	717,248:	341,438:	136,950:	164,360
Spain	: 15,595:	7,264:	312,293:	154,393:	234,020
Portugal	: 4,636:	27,674:	14,735:	7,170:	3,250
Italy	: 33,500:	375,035:	357,122:	166,902:	103,930
Other	: 142,692:	1,540,119:	1,368,530:	713,470:	591,130
Total Europe	: 389,964:	4,733,307:	5,004,760:	2,631,722:	2,419,004

Continued -

Cigarettes: Exports by Country, Average 1934-38, 1948-52, annual 1954,  
and January-June 1954 and 1955

Continent and Country	Average		1954	January - June	
	1934-38	1948-52		1954	1955
	1,000	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces	pieces
Asia					
Iraq	648	1,170	7,707	4,827	4,300
Palestine & Trans-Jordan	(	(	(	(	(
French Indochina	15,143	10,104	500	500	-
Netherlands Indies	15,844	68,693	6,050	2,900	3,450
Philippine Republic	2,543,597	4,486,121	505,622	251,660	187,240
China	34,233	2,276	0	0	0
Hong Kong	22,159	952,420	721,115	402,165	406,660
British Malaya	2,554	475,709	439,992	225,444	254,929
Other	45,684	569,311	1,129,396	635,321	573,221
Total Asia	2,732,240	6,592,652	2,853,632	1,543,067	1,456,350
Oceania					
Australia	19,011	2,907	6,760	3,600	486
New Zealand	17,589	4,628	780	600	-
French Oceania	23,429	-	-	-	-
French Pacific Islands	-	37,124	27,400	11,400	17,200
Other	730	9,875	49,054	33,450	19,630
Total Oceania	60,759	54,534	83,994	49,050	37,316
Africa					
Algeria	(	1,310	12,720	-	2,950
Tunisia	15,120	4,050	15,750	6,350	-
Canary Islands	37,572	42,413	25,085	9,420	7,700
Libya	-	-	1,600	-	-
Union of South Africa	3,475	38,511	3,210	1,610	4,600
Egypt	33,847	111,493	74,684	34,374	36,523
Belgian Congo	522	173,782	65,315	43,030	16,100
Tangier	-	1,468,720	1,392,140	740,460	633,040
Other	57,531	336,642	369,373	313,383	569,220
Total Africa	1,148,067	2,226,921	2,460,382	1,153,682	1,320,133
Total Quantity	4,773,666	13,436,469	15,425,679	7,773,461	7,451,225
Total Value					
1,000 dollars	9,058	54,730	57,132	23,634	27,272

Source: Compiled from records of the Bureau of Census in Foreign  
Agricultural Service.

United States exports of cigars and cheroots, chewing and smoking tobacco,  
average 1934-38, 1948-52, annual 1954, January-June 1954-1955

Continent and Country	Average			January-June	
	1934-38	1948-52	1954	1954	1955
	1,000	1,000	1,000	1,000	1,000
	pieces	pieces	pieces	pieces	pieces
Cigars and Cheroots					
North America					
Greenland	-	-	-	-	-
Iceland	3	1	92	20	-
Panama Republic	1,111	502	347	173	115
Panama Canal Zone	-	899	1,205	566	353
Bermuda	25	70	391	295	80
Other Countries	444	298	3,098	1,835	838
Total North America	1,583	1,770	5,133	2,869	1,386
South America					
Total South America	169	72	20	-	14
Europe					
Germany	182	1,245	3	3	-
United Kingdom	2,176	16	20	-	-
Spain	1	1	-	-	-
Italy	2,514	4	-	-	-
Other Countries	367	274	1,543	971	517
Total Europe	5,240	1,540	1,566	974	517
Asia					
Total Asia	219	1,078	682	374	31
Oceania					
Total Oceania	321	12	20	20	-
Africa					
Egypt	67	23	-	-	5
Union of South Africa	553	502	712	337	260
Other Countries	49	115	95	65	128
Total Africa	669	640	807	402	393
Total quantity	8,201	5,112	8,228	4,659	2,601
Total value					
1,000 dollars	435	353	384	217	115
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Chewing, plug, and other <sup>1/</sup>					
Newfoundland & Labrador	201	59	2/ 20	2/ 10	2/ 1
Panama	141	139	94	50	42
United Kingdom	147	38	23	16	11
Philippine Republic	609	833	684	143	68
Australia	516	732	1,134	504	468
Other Countries	173	341	163	81	62
Total quantity	1,787	2,142	2,118	804	652
Total value					
1,000 dollars	708	1,434	707	680	559

Continued-

United States exports of cigars and cheroots, chewing and smoking tobacco, average 1934-38, 1948, 52, annual 1954, January-June 1954-1955 - Continued

Continent and Country	Average			January-June	
	1934-38	1948-52	1954	1954	1955
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Smoking 3/					
Canada	49	(..	(	(	(
Newfoundland and Labrador	83	(252	(180	(72	(96
Argentina	268	146	-	-	1
United Kingdom	102	14	13	7	26
Philippine Republic	64	244	543	333	259
Australia	40	1	267	-	837
Bolivia	2	346	444	203	200
Dominican Republic	4/	247	444	216	192
Haiti	23	320	500	254	234
Mexico	2	211	693	159	242
Spain	4/	84	1,323	440	441
Other Countries	334	479	810	410	557
Total quantity	967	2,344	5,217	2,094	3,085
Total value					
1,000 dollars	601	1,720	3,981	1,624	2,427

1/ Snuff included 1948 on

2/ Includes Canada

3/ Includes smoking tobacco in packages and bulk

4/ Less than 500 pounds 5/ Includes 260,000 pieces not shown by country or continent

Source: Compiled by Foreign Agricultural Service from records of the Bureau of the Census





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 45-55

DEC 3 1955  
SEP 2 1955  
September 2, 1955

DR. JAMES W. BIRKHEAD APPOINTED CHIEF OF FAS  
TOBACCO DIVISION'S FOREIGN COMPETITION BRANCH

Dr. James W. Birkhead, who recently left for a study of Oriental tobacco production in the Middle East, has been appointed Chief of the Foreign Competition Branch of Foreign Agricultural Service's Tobacco Division. He will direct surveys of foreign tobacco-producing areas that sell on world markets in competition with U. S. tobacco exports. Dr. Birkhead, who received his Ph.D. at Harvard, has been an employee of the Tobacco Division since October 1953 and has published through this office the results of his competition studies on Africa and Brazil. Publication of competition studies developed during his recent trip to the Far East and the observations of his present survey will be printed after his return in October.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 46-55  
AT 40-55

U. S. DEPARTMENT OF A

September 14, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Netherland's Tobacco Imports Up 31.9 Percent

Netherland's gross imports of unmanufactured tobacco (direct imports plus withdrawals from bond) during the first quarter of 1955 totaled 24.3 million pounds --up 31.9 percent from 18.4 million pounds imported during the corresponding period of 1954.

Imports of United States leaf increased 23.2 percent from the corresponding quarter of 1954. All types of United States leaf imported shared in the increase, except seedleaf (cigar leaf), which declined sharply as compared with the first quarter of 1954. The percentage increase for Kentucky was the greatest, increasing from .8 to 2.6 million pounds--up 217.7 percent from the corresponding period of 1954.

Gross imports of oriental tobaccos (Turkish and Greek) have increased from 1.6 to 3.6 million pounds, indicating larger usings of these tobaccos by Dutch manufacturers after deducting re-exports destined mainly to the United Kingdom. Imports of non-U. S. flue-cured from Southern Rhodesia and India increased 1.6 million pounds over the corresponding period of 1954, indicating larger usings of these tobaccos--as re-exports did not increase over the first 3 months of 1954.

Netherlands: Gross imports of unmanufactured tobacco, direct and from bonded warehouses, during the January-March periods, 1954-55

Country of Origin	January-March 1954	January-March 1955
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States.....	8,247	10,159
Indonesia .....	1,936	2,617
Brazil.....	1,510	2,460
Greece.....	77	1,177
Turkey.....	2,286	2,235
Italy.....	747	631
Southern Rhodesia.....	1,186	2,028
India.....	597	1,360
Cuba.....	209	260
Other.....	1,646	1,394
Total.....	18,441	24,321

Source: Maandstatistiek van de in-, uit -en doorvoer per goederensoort.

#### Finland Increases Prices of American-type Cigarettes

The retail price of American-type cigarettes manufactured in Finland was increased by 25 percent effective August 1, 1955. The surtax on American-type brands was increased in such a way, according to a Finnish Cabinet announcement of July 7, that they will yield 69.66 Finnmarks per package as compared with the previous 51.63 Finnmarks. The retail price of American-type brands will increase from 80 to 100 Finnmarks (34.6 to 43.3 U. S. cents) per package, while the price of other domestic brands will remain unchanged.

According to the report, little effect on sales of American-type cigarettes is expected, since consumption has increased from 10 to 30 percent of total sales during the past five years. The increase in surtax on the American-type cigarette was the need for additional revenue by the Finnish Government. The apparent discrimination against American-type cigarettes, according to the report, may be explained by the fact that other types manufactured in Finland are included as a component in the cost of living index whereas the American-type brands are not.

#### West German Tobacco Imports Up 11 Percent

West German imports of duty-paid unmanufactured tobacco, direct and withdrawals from bond, during the first 3 months of 1955 totaled 32.9 million pounds--up 11.0 percent from the 29.6 million pounds imported during the corresponding period of 1954.

West Germany: Imports of duty-paid unmanufactured tobacco by country of origin, during the January-March periods, 1954-55

Country of Origin	January-March	January-March
	1954	1955
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
United States	12,102	12,109
Greece	5,866	7,648
Turkey	3,180	3,881
Indonesia	1,927	2,274
Brazil	2,669	2,671
Colombia	1,416	1,505
Dominican Republic	967	968
Italy	337	380
Japan	45	18
China	25	32
India	143	61
Southern Rhodesia	291	362
U. S. S. R.	63	94
Other	606	902
Total	29,637	32,905

Source: Der Aussenhandel Der Bundesrepublik Deutschland - Teil 2.

Imports of oriental tobaccos, mainly from Greece and Turkey, increased about 2.5 million pounds from the corresponding quarter of 1954, reflecting increased output of oriental-type cigarettes. Imports of United States leaf were relatively stable but accounted for only 36.8 percent of the total, as compared with 40.8 percent during the first quarter of 1954. Total imports from Italy, Japan, India, China, and Southern Rhodesia remained about the same as in the first quarter of 1954.

#### Italian Trade In Tobacco Up

Italian imports of leaf tobacco during the first quarter of 1955 totaled 10.3 million pounds as compared with 2.5 million pounds during the corresponding period of 1954. Imports of Bulgarian leaf accounted for more than one-half of the total imports with the remainder coming about equally from Greece and Turkey. Italian imports of Bulgarian leaf during the first quarter of 1955 exceeded total imports for all calendar years since 1923, except for 1942, when they totaled 7.7 million pounds.

Italy. Trade in leaf tobacco during the January-March periods,  
1954-1955

Country	Imports		Exports	
	1954	1955	1954	1955
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
France	-	-	324	1,688
Greece	2,498	2,232	-	-
Netherlands	-	-	610	1/
United Kingdom	-	-	496	1/
Sweden	-	-	685	1/
Switzerland	-	-	1,006	359
Soviet Union	-	-	1,113	2,876
Algeria	-	-	407	1/
Bulgaria	1/	5,791	-	-
West Germany	-	-	1/	1,549
Turkey	1/	2,314	-	-
United States	1/	-	1/	410
Other	1/ 4	-	1,770	309
Total	2,502	10,337	6,411	7,191

1/ If any, included in other

Source: Statistica Del Commercio L'estero.

Exports of Italian leaf during the first 3 months of 1955 totaled 7.2 million pounds--up 12.2 percent from the 6.4 million pounds exported during the corresponding period of 1954. The Soviet Union continued to be the principal export outlet with the Federal Republic of Germany and France increasing their takings of Italian leaf. Exports to Switzerland declined from the comparable period in 1954.

Imports of Swiss cigarettes continued their upward trend during the first quarter of 1955 accounting for 70 percent of the total as compared with 66 percent for the comparable period in 1954. Also, imports from the United States increased substantially while imports from other countries showed a decline.

Brazilian Tobacco Exports Up 17.6 Percent

Exports of Brazilian leaf during 1954 totaled 61.9 million pounds--up 17.6 percent from the 52.6 million pounds exported in 1953, but were below the 67.1 million pounds exported in 1952. The largest market for Brazilian leaf during the past 3 years has been the Republic of Germany. Spain, the Netherlands, Denmark, Uruguay, and Switzerland ranked next in order of importance. Exports to Sweden and France have been increasing while Algeria and Indochina have reduced their takings of Brazilian leaf.

Brazil: Exports of leaf tobacco, 1952-54.

Country of Destination:	1952	1953	1954
	1,000	1,000	1,000
	pounds	pounds	pounds
German Republic	19,328	11,629	16,023
Spain	12,079	6,602	10,523
France	276	3,500	3,121
Netherlands	6,676	7,136	6,383
Denmark	4,740	3,404	5,122
Sweden	817	1,053	946
Switzerland	6,662	2,518	4,426
Indo-China	2,074	1,909	1,029
Algeria	2,715	2,230	1,968
Uruguay	4,047	5,027	4,455
United States	1,097	2,421	1,070
Other	6,584	5,203	6,806
Total	67,095	52,632	61,872

Source: Mensario Estatístico - Serviço de Estatística Econômica e Financeira.

German Output of Oriental and Filter-Type Cigarettes Continues Upward

According to information contained in Die Tabak - Zeitung (Tobacco Gazette - Mainz) of July 29, the output of oriental and filter-type cigarettes represented 17.1 and 9.1 percent, respectively, of the total output during the month of June, 1955. The output of these types of cigarettes has been increasing steadily since 1951.

West Germany: Percent Oriental and filter-type cigarettes represent of total monthly output, 1954 to date.

Month	Oriental-type		Filter-type	
	1954	1955	1954	1955
	Percent	Percent	Percent	Percent
January	14.3	16.1	4.6	7.2
February	14.5	16.5	4.8	7.6
March	14.6	16.7	5.2	8.5
April	15.4	17.1	5.0	8.4
May	15.1	17.1	5.0	8.6
June	15.5	17.1	5.0	9.1
July	15.5		5.2	
August	15.1		5.4	
September	14.7		5.6	
October	14.9		6.2	
November	15.2		6.2	
December	16.1		6.4	

Consumption of tobacco products in the Republic of Germany during the January-June period of 1955 totaled about 92.7 million pounds -- up 5.5 percent from the 87.9 million pounds consumed during the corresponding period of 1954.

Republic of Germany: Consumption of tobacco products, as indicated by tax-paid withdrawals, for the January-June periods, 1954-55 1/

Product	January - June 1954	January - June 1955	Percent change from previous year
Cigarettes (million pieces)	18,436	20,736	✓ 12.5
Cigars (million pieces)	2,032	2,069	✓ 1.8
Fine-cut tobacco (1,000 pounds)	14,070	12,824	- 8.9
Pipe tobacco (1,000 pounds)	3,721	3,545	- 4.7
Estimated total (1,000 pounds)	87,885	92,718	✓ 5.5

1/ Excludes chewing tobacco and snuff

Source: Statistische Berichte

#### Philippine Cigarette Consumption Increases

Consumption of cigarettes in the Philippine Republic continued its upward trend through 1954 amounting to 14.9 billion pieces as compared with 13.3 billion in 1953, or an 11.3 percent increase. This sharp rise in cigarette consumption is almost five times that of the prewar average (1937-41).

Retail prices of cigarettes, per package of 20, during the October-December period of 1954 were as follows: Native cigarettes, 6.67 United States cents; imported "Camels" and "Chesterfields," 44.0 and 41.5 United States cents, respectively. Retail prices of native cigarettes have declined 16.7 percent, whereas imported "Camels" and "Chesterfields" have increased 109.5 and 118.4 percent, respectively, since 1948.

### Japan Promotes Sale of Smaller-Pack Cigarettes

In an effort to reverse the downward trend which has been noticeable for more than a year, in the consumption of the Fuji brand of cigarettes, the Japan Monopoly Corporation has added a smaller pack containing 10 cigarettes to its line. Sales of this pack, which retails for U. S. 16.7 cents, are showing an upward trend since its introduction on July 1, 1955. The 20-cigarette pack is continued at U. S. 33.3 cents per pack. This brand contains about 60 percent United States flue-cured leaf with the remainder being Japanese flue-cured.

The Monopoly Corporation is planning to put on sale beginning October 1, a new blended cigarette called "Pearl." This brand will retail for about U. S. 8.3 cents per pack of 10 and is expected to have a 2.5 percent nicotine content, lower than any other Japanese cigarette with the exception of the cheapest brand. The blend will contain 7 percent United States flue-cured, 3 percent Turkish leaf, 10 percent Indian Burley, 50 percent Japanese flue-cured and 30 percent other native leaf. The "Pearl" will be a mild cigarette and is expected to find favor among both men and women smokers as well as markets in foreign countries.

### Cuban Leaf Exports Up in 1955

Cuban exports of leaf tobacco during the first quarter of 1955 totaled almost 15 million pounds, an increase of 63 percent as compared with shipments in a comparable period of 1954. The average export value per pound at U. S. 71.7 cents is considerably below the value in the 3 previous years, when the leaf averaged more than \$1.00 per pound. If exports continue throughout the year at the rate shown in the first quarter, the large stocks prevailing in Cuba should be considerably reduced.

Cuba; Exports of leaf tobacco, January-March 1955, with comparisons

Period	Leaf Tobacco	
	Quantity	Value per pound
	1,000	U. S. cents
	pounds	
Annual		
1952	39,781	104.9
1953	35,624	118.2
1954	38,018	109.1
Jan.-March		
1952	9,856	94.5
1953	8,926	101.6
1954	9,173	100.3
1955	14,956	71.7

Source: Cuba Economica y Financiera - Comision Nacional de Propaganda y Defensa del Tabaco, Havana, June 1955.

### Greece Continues Flue-cured Production for Export Only

During 1954 the Greek Government permitted on a trial basis the cultivation of 400 stremma (about 100 acres) of Virginia-type tobacco, provided it was flue-cured and the entire crop was for export. Production during 1954 totaled about 170,000 pounds.

The Government during 1955 granted permission for the cultivation of 1,000 stremma (about 250 acres) of flue-cured tobacco. Officials of the Hellenic Tobacco Board do not believe that the full authorized acreage was planted because of the stipulation that all of the tobacco must be exported. Flue-cured production in Thrace and Macedonia is prohibited.

### Belgian Tobacco Usings Continue Slow Decline

Total factory usings of unmanufactured tobacco in Belgium continued its gradual downward trend, evident since 1950, during the first half of 1955. Usings in the production of cigarillos continued upward, whereas usings in the output of smoking mixtures, chewing tobacco, and snuff continued to decline. Leaf used in output of cigarettes during the first half of 1955 declined 1.1 percent from the comparable level in 1954. The decline in cigarette output, as indicated by leaf used, occurred during the second quarter of 1955, as the first quarter was 2.4 percent above the comparable period in 1954. Usings in the output of smoking mixtures declined 2.3 percent from the first 6 months of 1954, but still comprised about 43 percent of the total usings of unmanufactured tobacco. Leaf used in the output of smoking mixtures exceeded that used for cigarettes prior to 1954.

### Portugal Tobacco Imports Down Slightly

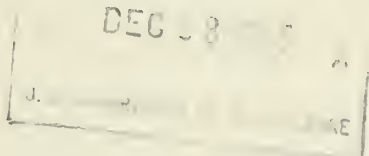
Portugal's imports of unmanufactured tobacco during January-March 1955 totaled 2.4 million pounds--down 2.1 percent from the 2.5 million pounds imported during the corresponding period in 1954.

Imports of United States leaf have continued to decline slowly in both volume and as a percentage of total imports since 1953. United States leaf represented 73.5 percent of the total imports during 1953 as compared with 70.4 percent during first quarter 1955. The decline in imports of United States leaf can be attributed to ample stocks and to the gradual decline in usings of United States leaf evident since 1948. Imports from the Federation of Rhodesia and Nyasaland, Greece and Italy were stepped up; while takings from Mozambique, Cuba, Brazil, India and Algeria declined from the corresponding quarter in 1954.



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FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.



FT 47-55

November 14, 1955

## MISCELLANEOUS TOBACCO DEVELOPMENTS

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### Central African Federation Tobacco Exports Up

Exports of unmanufactured tobacco from the Central African Federation (The Rhodesias and Nyasaland) in January-June 1955 totaled 51.4 million pounds--up 9.1 percent from the 47.1 million pounds exported during the corresponding period in 1954. Flue-cured accounted for about 90 percent of total exports with most of the remainder being fire-cured.

Shipments to the United Kingdom totaled 33.3 million pounds as compared with 28.2 million pounds during the first 6 months of the previous year. Exports to other Commonwealth countries were 1.8 million pounds greater, mainly due to increased takings by Australia, the Union of South Africa, Hong Kong, Kenya, and the British West Indies. Increased exports to Australia are partly due to the tariff concession granted on tobacco imports from Southern Rhodesia, which now has been extended to the whole Federation by a recent trade agreement.

Shipments to non-Commonwealth countries declined 2.5 million pounds, with those to the Belgian Congo, The Netherlands, Egypt and Denmark showing the greatest decrease. Western European countries increasing their takings of Federation leaf included Norway, Finland, Sweden, Ireland, Portugal, France, Switzerland, the Republic of Germany and Spain.

Federation of Rhodesia and Nyasaland: Exports of unmanufactured tobacco.  
January-June, 1953-55

Country of Destination	1953	1954	1955
	1,000 pounds	1,000 pounds	1,000 pounds
United Kingdom	28,123	28,240	33,255
Australia	3,416	5,267	5,855
Union of So. Africa:	1,196	465	1,501
Belgian Congo	1,087	1,368	419
Denmark	548	2,387	727
Netherlands	1,476	2,296	1,566
Republic of Germany:	1,807	1,042	1,197
Belgium	294	438	420
Norway	5	80	265
Portugal	-	66	156
Other	3,728	5,487	6,058
Total	41,680	47,136	51,419

Greek Tobacco Exports Lower

Exports of Greek leaf during the first half of 1955 totaled 38.0 million pounds, and were 4.4 million pounds less than in the same period of 1954. Shipments to the Republic of Germany, the principal market in recent years, declined 1.7 million pounds from the corresponding period in 1954. Exports to the Soviet Union and Eastern Europe were 3.8 million pounds less than last year. Increased consignments to Hungary were insufficient to balance the decline in exports to Eastern Germany, Poland, and the Soviet Union. Greek tobacco exports to the Soviet "Bloc" countries have been fostered by Trade and Payments Agreements.

Countries which reduced their takings of Greek leaf include France, Austria, Finland, Italy, the United Kingdom and Israel, while the United States, Portugal, Netherlands, Switzerland, Belgium, Egypt and Sweden increased their takings of oriental leaf from the corresponding period in 1954.

Greece has concluded Trade Agreements recently with Spain and Czechoslovakia which include tobacco exports to the value of \$1 million to each of these countries. Also, an agreement with France provides for the export of 11 million pounds of Greek tobacco to France and the

French Union during the year ending June 30, 1956. Exports of Greek leaf during the remaining 6 months of 1955 are expected to exceed the 73.2 million pounds exported during July-December 1954, in view of other trade agreements concluded with Poland, Portugal, and Hungary, and the largest postwar crop--totaling about 175 million pounds.

Greece: Exports of unmanufactured tobacco, January-June 1953-55

Country of Destination	1953	1954	1955
	1,000	1,000	1,000
	pounds	pounds	pounds
United States	5,780	5,304	8,405
Republic of Germany:	12,334	10,082	8,401
East Germany	3,108	2,647	1,920
France	4,126	4,094	2,760
Austria	4,445	2,995	2,468
Egypt	1,980	1,219	2,073
Soviet Union	3,434	4,920	1,427
Belgium	1/	86	1,695
Switzerland	I/	209	1,080
Finland	1,249	2,379	1,547
Hungary	975	961	2,133
Other	15,532	7,481	4,098
Total	52,963	42,377	38,007

1/ If any, included in other.

Pakistan Cigarette Output Continues Upward

Output of cigarettes in Pakistan during 1954 totaled 4.6 billion pieces in an industry which was non-existent prior to 1948. Development of the cigarette industry was fostered by currency restrictions on imports of cigarettes and bidis. Most of the output of cigarettes is provided by 2 large factories at Karachi and a factory which is now in operation in Chittagong. Permission has been granted for erection of additional factories in the cities of Karachi and Chittagong, and also in the Provinces of Khaipur, Bahawalpur, the Western Punjab and the North-West frontier. An annual production of about 10.0 billion pieces of cigarettes is anticipated from these factories--sufficient to meet domestic demand.

Most of the leaf used in the production of cigarettes is of domestic origin, but some of the better grades of flue-cured are imported from the United States. Imports from the United States during 1953 and 1954 totaled 1.4 and 1.8 million pounds, respectively, and represented about 80 percent of Pakistan's total imports of unmanufactured tobacco. Additional quantities of the better grades of flue-cured will be required for blending purposes by the expanding cigarette industry.

### Swiss Tobacco Imports Larger

Switzerland's imports of unmanufactured tobacco in the first 6 months of 1955, as indicated by bond clearances, totaled 12.9 million pounds -- up 5.5 percent from the 12.2 million for the corresponding period of 1954.

Imports from the United States increased 2.7 percent from the like period of 1954. Bond clearances of oriental leaf (Turkish and Greek) have maintained the increased ratio of larger usings of these tobaccos evidenced in first quarter 1955. These imports were 38 percent higher for Greece and 10 percent higher for Turkey for this period of 1955 than for the corresponding period of last year. Swiss manufacturers still import small quantities, presumably flue-cured, from Japan, Canada, China, India and Rhodesia.

Switzerland: Imports of unmanufactured tobacco  
for the January-June periods, 1954-55

Country of Origin	January-June 1954	January-June 1955	Percent change from January-June 1954
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	
United States	5,429	5,576	+ 2.7
Brazil	2,066	2,103	+ 1.8
Dominican Republic	411	442	+ 7.5
Italy	808	818	+ 1.2
Greece	845	1,166	+ 38.0
Turkey	1,130	1,252	+ 10.8
Indonesia	662	690	+ 4.2
Other	881	858	- 2.6
Total	12,232	12,905	+ 5.5

Source: Monatsstatistik Des Aussenhandels Der Schweiz

### India's Tobacco Exports Up Slightly

Indian exports of unmanufactured tobacco during the 1954-55 fiscal year totaled 74.0 million pounds -- up 4 percent from the 71.1 million pounds exported during the previous April-March fiscal year.

The United Kingdom continued to be the principal export market taking 31.1 million pounds as compared with 30.1 million pounds for the corresponding fiscal year. Consignments to China increased from 1.6 million pounds in 1953-54 to 10.1 million pounds in 1954-55, following the sales of 13.4 million pounds negotiated by the Indian trade delegation during its tour of the Far East.

Other countries increasing their takings of Indian leaf included Aden, Hong Kong, West Pakistan, Australia, Egypt, Burma, Austria, Denmark, France, the Republic of Germany and Portugal. Shipments to the Soviet Union, which was an important export outlet for Indian leaf in previous years, were nil during the last 2 fiscal years. Other countries reducing their takings of Indian leaf during fiscal 1954-55 included Belgium, the Netherlands, Japan, Finland, Sweden, Ceylon, Eastern Pakistan, Switzerland, and Ireland.

#### Canada's January-June 1955 Exports

Canadian exports of unmanufactured tobacco in first half 1955 totaled 40.7 million pounds -- up 72.1 percent from the 23.7 million pounds exported during the corresponding period in 1954. Flue-cured accounted for 93 percent of the total, stems and cuttings 4 percent, with most of the remainder Burley.

Canada: Exports of unmanufactured tobacco, January-June 1955 with comparisons

Country of Destination	: January-June : 1953	: January-June : 1954	: January-June : 1955
	: 1,000	: 1,000	: 1,000
	: pounds	: pounds	: pounds
United Kingdom	: 10,343	: 19,355	: 34,311
Australia	: 1,520	: 2,205	: 2,680
Jamaica	: 711	: 634	: 662
Trinidad	: 540	: 470	: 661
British Guiana	: 104	: 100	: 125
Netherlands	: 44	: 397	: 321
Belgium	: -	: 119	: 47
Republic of Germany	: -	: 24	: -
Portugal	: 44	: -	: -
Sweden	: 24	: -	: -
Other	: 230	: 353	: 1,902
Total	: 13,560	: 23,657	: 40,709

Source: Dominion Bureau of Statistics

#### Germany's Tobacco Imports Up in 1955

Duty-paid imports of unmanufactured tobacco by German manufacturers during the first half of 1955 totaled 70.8 million pounds--up 12.6 percent from the 62.9 million pounds imported during the corresponding period of 1954.

Imports of oriental tobaccos, mainly from Turkey, Greece, Bulgaria, Yugoslavia, and U.S.S.R., increased about 6 million pounds from January-June 1954, reflecting increased output of oriental-type cigarettes. Imports of United States leaf increased about 1 million pounds over the first 6 months of 1954. Total imports from Italy, Japan, India, China, Canada, and Southern Rhodesia, presumably flue-cured, increased about 9 percent over the comparable period in 1954.

Republic of Germany: Imports of duty-paid unmanufactured tobacco  
by country of origin during the January-June periods, 1954-55

Country of Origin	: January-June : 1954	: January-June : 1955	: Percent change from : January-June 1954
	: 1,000 pounds	: 1,000 pounds	:
United States	: 26,353	: 27,201	: * 3.2
Greece	: 13,048	: 16,931	: + 29.8
Turkey	: 7,068	: 8,407	: + 18.9
Indonesia	: 3,621	: 4,294	: + 18.6
Brazil	: 5,041	: 5,267	: + 4.5
Colombia	: 2,779	: 2,842	: + 2.3
Dominican Republic	: 1,814	: 1,821	: + 0.4
Italy	: 706	: 801	: + 13.5
Southern Rhodesia	: 658	: 823	: + 25.1
Other	: 1,805	: 2,404	: + 33.2
Total	: 62,893	: 70,791	: + 12.6

Source: Des Aussenhandels Der Bundesrepublik Deutschland-Teil 2 June 1955.

Gold Coast Imports More Tobacco

Gold Coast imports of unmanufactured tobacco during the January-March period of 1955 totaled 355,000 pounds--up 32 percent from the 269,000 pounds imported during the corresponding period of 1954. Imports were practically all from the United States--mostly of the dark-air and fire-cured types of leaf.

Gold Coast: Imports of unmanufactured tobacco,  
January-March 1955, with comparisons

Country of Origin	: 1953	: 1954	: January - March : 1954	: March : 1955
	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds
United States	: 1,562	: 1,164	: 269	: 353
Italy	: -	: -	: -	: 2
German Republic	: 3	: -	: -	: -
Other	: 1	: 1	: -	: -
Total	: 1,566	: 1,165	: 269	: 355

Source: Monthly Accounts Relating to External Trade of the Gold Coast,  
March 1955.

### Union of South Africa Purchases Rhodesian Leaf

The recently negotiated trade agreement between the Central African Federation and the Union of South Africa provides for duty-free entry of 10 million pounds of Rhodesian flue-cured tobacco into the Union by December 31, 1955. The 5-year agreement signed June 28 that became effective July 1 states that tobacco admitted into the Union this year shall be "flue-cured Virginia-type leaf tobacco grown in the Federation, consisting of not more than 5 million pounds in weight of such tobacco grown in the 1954-55 season and 5 million pounds in weight grown in previous seasons."

The agreement also provides that there shall be admitted into the Union duty-free "after 31st December, 1955, in every calendar year, a quantity of such tobacco not less than 2 million pounds in weight and not exceeding such greater quantity as may, in respect of each calendar year, be determined by the Minister of Agriculture of the Union after consultation with the Ministry of Agriculture of the Federation."

Tobacco production in the Union of South Africa has declined rather sharply in recent years from a total of 53.4 million pounds harvested in 1951 to a harvest of about 32.2 million pounds in 1955. While unfavorable weather has been a factor, much of the decline in flue-cured production has been due to a switch from Amarelo to Orinoco types, the latter being lower-yielding and more difficult to grow, although it is more suitable both for domestic use and export trade. Domestic consumption in the past 3 or 4 years has exceeded output, and stocks have dropped well below normal inventories. Imports of leaf tobacco from the Rhodesias, which averaged 4.1 million pounds in the 1947-51 period, declined steadily since that time and totaled less than 1.4 million pounds in 1954.

In order to replenish its stocks, the Union negotiated the previously mentioned agreement with the Central African Federation, which permits the importation of the 10 million pounds of leaf this year. Reports from the Salisbury auction market indicate that through September 8 the Union had purchased a total of 5.8 million pounds of flue-cured from this season's crop. This is more of this year's crop than was specified in the agreement, and it is reported that the Union has requested the privilege of purchasing 2.25 million pounds this year in addition to the 5 million authorized.

It is expected that purchases in the next 4 years will be approximately 3 million pounds annually, with 80 percent of the leaf to be purchased from Southern Rhodesia, about 10 percent from North Western Rhodesia, and 10 percent from North Eastern Rhodesia.

# Austrian Tobacco Imports Up 19.4 Percent in First Half, 1955

Imports of unmanufactured tobacco by the Austrian Tobacco Monopoly during the first half of 1955 totaled 12.8 million pounds--up 19.4 percent from the 10.6 million pounds imported during the corresponding period of 1954.

Austria: Imports of unmanufactured tobacco during the January-June periods, 1954-55

Country of Origin	: January - June 1954	: January - June 1955
	: <u>1,000 pounds</u>	: <u>1,000 pounds</u>
United States	: 3,904	: 4,600
Greece	: 2,881	: 2,920
Turkey	: 1,565	: 3,297
Bulgaria	: 1,102	: 992
Brazil	: 147	: 638
Indonesia	: 21	: 106
Southern Rhodesia	: -	: 124
Yugoslavia	: 922	: -
Other	: 71	: -
Total	: 10,613	: 12,677

Source: Statistik des Aussenhandels Osterreichs - Erstes und zweites Vierteljahr 1955

Imports of United States leaf, mainly flue-cured and Burley, increased 17.8 percent over the same period last year. Total takings of oriental leaf increased 11.4 percent in view of reduced consignments from Bulgaria and Yugoslavia. Imports of cigar leaf from Brazil and Indonesia were substantially larger than last year.

## Netherland's Tobacco Imports Rise

Netherland's gross imports of unmanufactured tobacco (direct imports plus withdrawals from bond) during the first half of 1955 totaled 36.0 million pounds--up 6.6 percent from the 33.8 million pounds imported during the corresponding period of 1954.

Imports of United States leaf increased 1.7 percent from the corresponding 6 months of 1954. Takings of Kentucky-Tennessee and Maryland continued upward, whereas Virginia (flue-cured), Burley and seedleaf (cigar leaf) declined from last year. The decline was the greatest in seedleaf (cigar leaf) as the result of larger availabilities from Indonesia.

Gross imports of oriental tobaccos (Turkish, Greek, and Bulgarian) were 1.1 million pounds greater than the same period last year. Re-exports of these tobaccos increased .5 million pounds, destined mainly to the United Kingdom, but usings of these tobaccos by Dutch manufacturers increased .6 million pounds. Imports of flue-cured from Southern Rhodesia, India and Canada increased 1.5 million pounds over the corresponding period of 1954, indicating larger usings of these tobaccos as re-exports did not increase over the first half of 1954.

Netherlands: Gross imports of unmanufactured tobacco, direct and from bonded warehouses, during the January-June periods, 1954-55

Country of Origin	: January-June : 1954 : 1,000 pounds	: January-June : 1955 : 1,000 pounds	: Percent Change : from January- : June 1954
United States	: 14,004	: 14,248	: + 1.7
Indonesia	: 3,642	: 3,772	: + 3.6
Brazil	: 2,965	: 3,190	: + 7.6
Greece	: 1,078	: 2,504	: +132.3
Turkey	: 3,369	: 4,098	: + 21.6
Southern Rhodesia	: 1,927	: 2,643	: + 37.2
India	: 1,043	: 1,726	: + 65.5
Canada	: -	: 106	: -
Italy	: 1,312	: 827	: - 37.0
Cuba	: 403	: 465	: + 15.4
Other	: 4,076	: 2,468	: - 39.5
Total	: 33,819	: 36,047	: + 6.6

Source: Maandstatistiek vande in-, uit-en doorvoer per goederensoort, June 1955

#### Italian Tobacco Trade

Italian imports of leaf tobacco during the first half of 1955 totaled 16.6 million pounds as compared with 8.6 million pounds during the corresponding period of 1954. Most of the increase during the second quarter of 1955 occurred in larger takings of United States and Turkish leaf, whereas shipments from Bulgaria and Greece were nil. Imports from Bulgaria and Greece occurred during the first quarter of 1955. Total imports of Greek leaf for the January-June period have declined 1.8 million pounds from last year.

Exports of Italian leaf during the January-June period of 1955 totaled 12.1 million pounds--up 21 percent from the 10.0 million pounds exported during the comparable period of 1954. The Soviet Union continued to be the principal export outlet with the German Republic and France, increasing their takings of Italian leaf. Exports to the Netherlands, Switzerland, and the United States have declined from the comparable period in 1954.

Italy: Trade in leaf tobacco during the  
January-June periods, 1954-55

Country	Imports		Exports	
	1954	1955	1954	1955
	1,000	1,000	1,000	1,000
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Bulgaria	617	5,791	-	-
France	-	-	324	1,722
German Republic	-	-	1/	2,402
Greece	4,063	2,232	-	-
Netherlands	-	-	1,411	884
Yugoslavia	2,646	1/	-	-
Switzerland	-	-	1,197	889
United Kingdom	-	-	496	1/
Turkey	1,259	3,398	-	-
Sweden	-	-	685	1/
Soviet Union	-	-	1,113	2,876
United States	4	2,446	852	806
Other	-	2,750	3,943	2,518
Total	8,589	16,617	10,021	12,097

1/ If any, included in other

Source: Statistica Del Commercio L'estero, June 1955

Record Sales of Southern Rhodesian Flue-Cured

Total sales of Southern Rhodesian flue-cured tobacco at the Salisbury auction market for the 1955 season reached a record level of 120.6 million pounds, exceeding the 1954 total by approximately 300,000 pounds, according to data released by the Rhodesian Tobacco Marketing Board. The average price paid was 40.5 pence (47.2 U. S. cents) per pound, about 5.5 percent above the 1954 average but below the record of 42.8 pence or 50 U. S. cents paid in 1952. The value of the crop reached a new high of almost \$57 million, an increase of 5.8 percent as compared with the value of the previous crop.

Sales of Northern Rhodesian flue-cured tobacco totaled 7.6 million pounds and averaged 34.7 pence (40.5 U. S. cents) per pound. Quantity sold was almost 5 percent below the 1954 level while the average price was 7.5 percent higher than in the previous year.

Total sales of flue-cured in the Central African Federation (Southern Rhodesia, Northern Rhodesia, and Nyasaland) this year were 131.8 million pounds, slightly less than the 132.1 million pounds sold last year, with the increase in Southern Rhodesia being more than offset by declines in sales from Northern Rhodesia and Nyasaland.

Southern Rhodesia's relatively unimportant fire-cured crop was down sharply from last year with sales this season amounting to only 277,000 pounds as compared with 598,000 pounds a year earlier. The average price at 19 cents per pound was well above the 12.5 cents received for last season's crop. Total sales of fire-cured leaf in the Federation were down from 23.9 million pounds in 1954 to about 15 million this season, with most of the decline accounted for by the drop of 8.6 million pounds in Nyasaland's sales.

#### Frost Reduces Canadian Flue-cured Crop

Extensive damage to the flue-cured tobacco crop in Ontario's new belt occurred as the result of a severe frost early in September, according to a report received from Canada. Most of the leaf which had not been harvested was destroyed and losses are estimated as high as 30 million pounds. The crop in Ontario which earlier suffered damage from drouth, hail, and leaf spot is now expected to total 100 to 105 million pounds.

No frost damage to the flue-cured crop in Quebec was reported and output there is estimated at about 5 million pounds.





# FOREIGN AGRICULTURE CIRCULAR

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON, D. C.

FT 48-55

December 9, 1955

## ESTIMATED WORLD PRODUCTION OF LEAF TOBACCO HARVESTED IN CALENDAR YEAR 1955, WITH COMPARISONS <sup>1/</sup>

### Summary

World tobacco production reached a record high level of 8,130 million pounds in 1955, continuing the upward trend which has extended over many years. This year's harvest is 2.3 percent above the 1954 output of 7,946 million pounds, and is one-eighth larger than the 1947-51 average of 7,215 million. Most of the increase in production as compared with 1954 is accounted for by an increase of about 6 percent in total output in Asia, while North and South America, Africa and Oceania showed slight decreases. The countries with the greatest increases in output were Japan, China, Turkey, the United States, Greece, the Philippines, Pakistan and Thailand. Substantial decreases in production as compared with 1954 were reported in Canada, India, France, Brazil, Indonesia and Nyasaland. There was very little change in total tobacco acreage harvested in 1955, with increases in China, Greece, Thailand and Japan being almost offset by decreases in the United States, India and Canada. The over-all average yield per acre showed a slight increase from the 1954 level.

### PRODUCTION BY AREAS

#### North America

The 1955 tobacco crop in North America is estimated at 2,700 million pounds, a decline of about 10 million pounds as compared with 1954. Increases in the United States and Dominican Republic were more than offset by declines in Canada and Cuba.

In the United States, output is placed at 2,278 million pounds. This is 41 million pounds or almost 2 percent above last year's crop in spite of an 8.7 percent decrease in acreage. Canada's production at 135.5 million pounds is 26.7 percent below the 1954 record harvest as a result of a reduction in flue-cured acreage coupled with an early frost, which destroyed about 30 million pounds of leaf.

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<sup>1/</sup> Does not include Manchuria. Data relative to the quantities of tobacco grown and consumed at home without entering commercial channels are not available in many countries. Farm sales weight is about 10 percent above the average redried weight, which is normally reported in export trade statistics.

### South America

Tobacco production in South America in 1955 totaled 489 million pounds, a slight reduction from the 1954 level. Output in Brazil is estimated at 311.4 million pounds, almost 4 percent less than the previous year's crop. Declines were also reported in Venezuela and Argentina, while larger crops than in 1954 were indicated for Colombia, Paraguay and Chile.

### Europe

Output of leaf tobacco in Western Europe is estimated to be 623.7 million pounds in 1955, an increase of 21 million from 1954. Tobacco acreage in Greece was a record and output was a near record in spite of the fact that more than 30 million pounds were destroyed by heavy rains and flooding during the harvest period.

Production in Yugoslavia, Italy, Spain and Germany exceeded last year's output, while in France the crop was estimated to be about 11 percent below the 1954 record and in Belgium both acreage and production were one-third lower.

Output in the Soviet Bloc in both 1954 and 1955 is estimated at 662.3 million pounds, although little is known about actual levels of production in these countries.

### Africa

Smaller tobacco crops are reported this year in most African producing countries, with the most significant declines occurring in Nyasaland's fire-cured crop, which was 37.5 percent below the 1954 level, and in the Union of South Africa. Flue-cured output in Southern Rhodesia, which was about equal to last year's record, was considerably above the forecasts of the crop.

### Asia

Total tobacco production in Asia in 1955 is estimated at 3,365 million pounds, an increase of 187 million as compared with 1954. Production in Japan is a record and is 76.5 million pounds or 31 percent above the 1954 level. Output in Turkey is estimated at 259 million pounds and is 20 percent higher than in 1954. China's crop is estimated at 1,425 million pounds, more than 6 percent above last year. Substantial increases are also reported in the Republic of the Philippines, Pakistan, Thailand and Taiwan.

A decrease of 44 million pounds is reported in India, due principally to unfavorable weather. Decreases as compared with 1954 are also reported in Indonesia, Indochina and Iraq.

### Oceania

Total production in Oceania is placed at 11.2 million pounds, slightly less than in 1954. A 12 percent decline in the output in Australia was partly offset by a 6 percent increase in New Zealand's crop.

PRODUCTION OF UNMANUFACTURED TOBACCO BY KIND IN 1955

FLUE-CURED

Flue-cured production in 1955 is estimated at 2,726 million pounds. This is an increase of almost 9 percent as compared with the 1954 crop of 2,503 million and is more than one-third higher than the 1947-51 average output. The record flue-cured crop of 1,514 million pounds in the United States was almost 200 million pounds or 15 percent above the 1954 harvest, in spite of an acreage decrease of 4.6 percent, and accounted for most of the increase in world flue-cured output.

Substantial increases in flue-cured production were reported in several Asian countries. A record crop of 208 million pounds was harvested in Japan and output was more than one-third higher than in 1954. Flue-cured production in the Philippines is being expanded rapidly, with the 1955 crop totaling 15.5 million pounds as compared with 4.5 million in 1954 and an average of 261,000 pounds in the 1947-51 period. However, much of this year's Philippine crop is reported to be of poor quality. In China, the 1955 flue-cured crop is estimated at 315 million pounds - an increase of 15 million pounds from the previous year. Output is also higher in Taiwan and Pakistan.

TOBACCO: Estimated production in specified countries, harvested in calendar year 1955 with comparisons, by types - farm sales weight

Kinds	Average		1954	1955
	1935-39	1947-51		
	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds
Flue-cured	1,261,094	2,023,856	2,502,862	2,726,006
Burley	338,752	608,909	745,081	614,779
Other light air-cured	121,074	128,461	158,408	149,041
Dark air-cured	3,050,751	2,460,853	2,529,108	2,507,051
Light sun-cured	752,033	854,378	788,263	829,667
Dark sun-cured	186,121	245,751	326,486	344,360
Fire-cured	162,489	151,857	114,826	109,840
Oriental	649,639	728,887	780,913	849,646
TOTAL	1/ 6,530,236	2/ 7,214,680	7,945,947	8,130,390

1/ Includes 226 thousand pounds for Cyprus and 8,057 thousand pounds for Iraq which are not identified by kind.

2/ Includes 11,728 thousand pounds for Iraq which is not identified by kind.

TOBACCO: Estimated acreage, yield and production in specified countries harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/
	1,000	1,000	1,000	pounds	pounds	pounds	1,000	1,000	1,000
	acres	acres	acres				pounds	pounds	pounds
<b>NORTH AMERICA:</b>									
Canada	69	113	107	1,103	1,144	1,402	76,556	129,445	184,763
Costa Rica	2/	4	3	3/	700	730	2/	2,522	2,110
El Salvador	4/	3	4	4/	467	408	4/	1,123	1,058
Guatemala	5	7	7	390	567	510	1,892	4,065	3,449
Honduras	4/	11	9	4/	684	432	4/	7,915	6,180
Mexico	51	90	95	750	882	903	38,200	79,425	82,968
Nicaragua	1	2	3	900	775	850	800	1,150	2,850
Panama	3/	2	2	3/	450	450	3/	720	900
United States	1,647	1,682	1,520	887	1,258	1,342	1,460,054	2,082,727	2,236,408
<b>Caribbean:</b>									
Cuba	108	132	153	429	550	719	48,092	72,751	110,741
Dominican Republic	25	45	52	985	1,050	883	24,625	47,178	41,525
Haiti	3/	3/	2/	3/	3/	3/	3/	7,500	2,000
Jamaica	2/	6	2	3/	370	380	3/	2,219	778
Puerto Rico	44	35	37	673	769	840	29,393	28,921	34,010
Total North America	1,958	2,132	1,994	-	-	-	1,684,862	2,465,661	2,709,690
<b>SOUTH AMERICA:</b>									
Argentina	29	67	76	965	926	848	27,983	61,140	64,760
Bolivia	3	3	3	700	700	676	2,500	2,100	2,100
Brazil	250	337	451	811	692	714	202,703	233,120	311,395
Chile	9	9	7	1,846	1,670	1,580	16,618	14,719	13,625
Colombia	4/	37	71	4/	803	892	4/	31,697	45,027
Paraguay	22	16	21	808	1,150	908	17,792	18,438	15,432
Uruguay	1	1	1	860	967	1,129	1,254	957	837
Venezuela	10	8	14	825	626	882	7,700	6,224	14,991
Total South America	461	438	644	-	-	-	308,247	381,725	491,721
<b>EUROPE: (Including U.S.S.R.)</b>									
Austria	2/	2/	1	2/	3/	1,344	2/	2/	1,587
Belgium	6	5	3	2,500	1,924	2,097	16,431	9,432	6,010
France	44	70	71	1,676	1,557	1,785	72,995	109,070	112,435
Western Germany 2/	33	23	26	2,254	2,185	2,073	74,555	46,982	54,722
Greece	226	213	320	589	531	559	132,819	113,320	148,750
Italy	77	142	115	1,175	1,179	1,083	90,500	167,900	124,626
Spain	16	28	49	1,000	1,244	1,370	17,322	34,425	67,726
Sweden	4/	1	6/	1,735	1,526	1,650	1,061	859	500
Switzerland	1	3	3	1,571	1,844	1,867	2,276	4,689	4,790
Yugoslavia	39	89	99	969	673	692	37,410	59,622	64,372
Total Western Europe	443	574	695	-	-	-	445,169	546,299	602,769
Other Europe (Incl. U.S.S.R.) 7/	711	730	781	-	-	-	736,231	671,449	662,300
Total Europe	1,154	1,304	1,476	-	-	-	1,181,400	1,217,748	1,265,069

<b>AFRICA:</b>														
Algeria	56	75	70	691	595	586	586	586	586	586	586	586	586	586
Belgian Congo	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/
Kenya	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/	3/
Nyasaland	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
Tanganyika	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/	2/
Uganda	4	7	9	400	380	420	420	420	420	420	420	420	420	420
French Morocco	1	1	4	1,040	1,027	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270
Madagascar	19	12	20	764	620	446	446	446	446	446	446	446	446	446
Mauritius	1	1	1	1,200	1,335	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Mozambique	1	4	5	385	385	400	400	400	400	400	400	400	400	400
Nigeria	56	58	60	400	400	400	400	400	400	400	400	400	400	400
Northern Rhodesia	4	14	15	400	475	550	550	550	550	550	550	550	550	550
Southern Rhodesia	50	136	175	504	626	690	690	690	690	690	690	690	690	690
Tunisia	1	2	4	1,200	1,100	695	695	695	695	695	695	695	695	695
Union of South Africa	47	93	76	523	510	430	430	430	430	430	430	430	430	430
Total Africa	240	403	425	426	426	426	426	426	426	426	426	426	426	426
<b>ASIA:</b>														
<b>Asia Minor:</b>														
Cyprus	1	3	5	285	460	362	362	362	362	362	362	362	362	362
Iran	35	40	42	900	722	642	642	642	642	642	642	642	642	642
Iraq	11	14	25	752	925	773	773	773	773	773	773	773	773	773
Lebanon	4/	4/	8	600	705	649	649	649	649	649	649	649	649	649
Syria	11	16	18	730	719	740	740	740	740	740	740	740	740	740
Turkey	194	304	385	661	638	557	557	557	557	557	557	557	557	557
<b>Asia Major:</b>														
Burma	108	121	136	726	780	796	796	796	796	796	796	796	796	796
Ceylon	14	11	13	615	573	536	536	536	536	536	536	536	536	536
China g/	1,228	1,452	1,400	1,021	1,017	957	957	957	957	957	957	957	957	957
India	9/	917	912	830	674	658	658	658	658	658	658	658	658	658
Indochina	44	25	45	728	580	735	735	735	735	735	735	735	735	735
Indonesia	449	180	528	532	346	401	401	401	401	401	401	401	401	401
Japan	92	129	172	1,621	1,619	1,448	1,448	1,448	1,448	1,448	1,448	1,448	1,448	1,448
Korea	46	44	61	1,239	1,302	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072	1,072
Pakistan	355	141	193	913	808	948	948	948	948	948	948	948	948	948
Philippine Islands	176	100	98	474	500	431	431	431	431	431	431	431	431	431
Taiwan (Formosa)	4	15	14	1,490	966	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536
Thailand	53	83	107	489	380	375	375	375	375	375	375	375	375	375
Total Asia	3,742	3,495	4,163	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259	4,259
<b>OCEANIA:</b>														
Australia	10	5	8	532	789	950	950	950	950	950	950	950	950	950
New Zealand	2	4	3	787	1,206	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335	1,335
Total Oceania	12	9	11	1,319	2,005	2,285	2,285	2,285	2,285	2,285	2,285	2,285	2,285	2,285
Total For All Countries Shown	7,467	7,851	8,813	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820

1/ Farm sales weight is about 10 percent above average dry weight, which is normally reported in export trade statistics. 2/ Preliminary. 3/ Not available.  
4/ Less than a 5-year average. 5/ Data are for Western Germany only. 6/ Less than 500 acres. 7/ Includes estimates for Albania, Bulgaria, Czechoslovakia, Hungary, Poland and Rumania. 8/ Does not include Manchuria. 9/ Recently methods of estimating acreage and production have changed in an effort to improve data; therefore, data for 1935-39 are not comparable with later information.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research and other information.

The Canadian flue-cured crop is placed at 121.6 million pounds in 1955. This is a reduction of about 30 percent from the 1954 record harvest and is the result of an acreage drop of 21 percent, coupled with a number of unfavorable factors during the growing season, including drough, leaf spot disease, and an early frost which destroyed an estimated 30 million pounds of leaf. In India there was a decrease of 11 million pounds or 8.5 percent as compared with the 1954 flue-cured crop, principally as a result of unfavorable weather early in the season. Brazil's crop is estimated to be about 10 percent below last year's due to drouth condition, while decreases are also reported in the Union of South Africa, Iraq, and Venezuela.

#### BURLEY

Total output of Burley tobacco in 1955 is estimated at almost 615 million pounds. This is 130 million pounds or 17.5 percent below the 1954 harvest, primarily as a result of the reduction in the United States, which accounted for almost 91 percent of world production in 1954 and 85 percent in 1955. Acreage harvested in the United States was 25 percent below the 1954 level, while production is estimated at 520 million pounds or 22 percent below last year.

Burley tobacco production in Spain continues to increase with output in 1955 estimated at 32 million pounds as compared with 19.6 million in 1954 and 6.4 million in the 1947-51 period. Production in Germany is one-fourth larger than in 1955, while increases are also reported in Canada and Japan.

#### OTHER LIGHT AIR-CURED (Including Maryland)

Production of other light air-cured tobacco in 1955 is estimated at 149 million pounds, a decrease of 9.4 million or 6 percent as compared with 1954. Output of Maryland tobacco in the United States, which was sharply reduced by storm damage, is placed at 35.7 million pounds - 6.8 million pounds or 16 percent below the 1954 crop. In Spain, where prior to 1954 this type of leaf has been included with dark air-cured, Maryland tobacco is estimated at 14.8 million pounds in 1955 as compared with 18.8 million in 1954. Small decreases are reported in Italy and Argentina, while increases in output of other light air-cured leaf are reported in Nigeria, Pakistan, and Mauritius.

### DARK AIR-CURED

Dark air-cured leaf tobacco production in 1955 totaled 2,507 million pounds, slightly below the 1954 level. Decreases in production were reported in several countries as the result of unfavorable weather. Among these were India, Indonesia, the United States and Brazil. Most of the decrease in the United States was in cigar types. In France, production was 11 percent below the 1954 record harvest, and in Belgium, both acreage and production were one-third below last year.

The largest increase was in China, where production is estimated 9 percent higher than in 1954 with increases also reported in Colombia, the Philippines, Pakistan, Italy, and the Dominican Republic.

### LIGHT SUN-CURED

Output of light sun-cured tobacco in 1955 is estimated at almost 830 million pounds. This is 41 million pounds or 5 percent above the previous year's crop. The increase is accounted for by substantially higher output in China, which is the world's largest producer of sun-cured leaf, and in Japan, where production of native tobacco is more than one-fourth above last year's crop. In Japan, this tobacco has formerly been classed as dark air-cured. Production was up slightly in Paraguay, Pakistan, and Korea.

The only countries reporting decreases in production were India, which had an 11 percent drop, and Mexico, where the crop was down about 7 percent.

### DARK SUN-CURED

The 1955 dark sun-cured harvest reached 344.4 million pounds and was about 5 percent above the 1954 crop. In Thailand, both acreage and production were about 64 percent above the 1954 level. Output was also larger than in 1954 in China and Pakistan, where sun-cured tobacco was not reported separately prior to 1954.

The 1955 Cuban crop totaled 104.7 million pounds (before fermentation) and was about 5 percent below the 1954 output, although the quota allocation had called for a substantially larger reduction.

### FIRE-CURED

Production of fire-cured tobacco in 1955 declined slightly from the 1954 level and totaled about 110 million pounds. Nyasaland's crop, which totaled only 14.7 million pounds, was 37.5 percent below the 1954 harvest and was 30 percent below the 1947-51 average.

The fire-cured crop in the United States was up about 4 percent from the 1954 level in spite of a 7.7 percent reduction in acreage. In Italy, both acreage and production were up slightly from the 1954 level, with the 1955 crop totaling 24 million pounds. Except for 1954, however, this crop was the smallest in several years and was less than half the 1947-51 average production of 51.4 million pounds.

### ORIENTAL (TURKISH) AND SEMI-ORIENTAL

Oriental tobacco production was up 69 million pounds from last year and totaled 850 million pounds in 1955. Output in Turkey totaled 255.7 million pounds and was 21 percent above the 1954 level. In Greece, the acreage was the highest on record and the quantity actually harvested totaled about 195 million pounds. However, almost 25 million pounds of this was so badly damaged by the excessive rainfall that it is considered unfit for sale and the quality of a part of the remaining 170 million pounds of salable tobacco was adversely affected.

Output of this type leaf in Yugoslavia was up 9.4 million pounds or 17 percent from the 1954 level. Decreases in production as compared with 1954 were reported in Italy, Iraq, and Syria.

Continent and country	Acreage harvested				Yield per acre				Production			
	Average		1955 2/		Average		1955 2/		Average		1955 2/	
	1935-39	1947-51	1954	1,000	1935-39	1947-51	1954	1,000	1935-39	1947-51	1954	1,000
	acres	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>												
Canada	51	98	123	97	1,079	1,142	1,410	1,250	54,616	111,646	173,159	121,600
Costa Rica	2/	4/	4/	4/	3/	579	500	500	3/	5/	205	205
El Salvador	4/	2	2	3	320	345	373	416	50	671	839	1,188
Guatemala	4/	1	4/	4/	530	580	725	958	132	476	254	431
Honduras	-	4/	4/	4/	-	405	600	600	-	120	141	180
Mexico	1	4	5	5	720	850	1,007	977	700	3,579	4,850	5,071
Nicaragua	1	1	1	1	900	900	1,000	1,000	863,619	1,246,160	1,314,407	1,100
United States	981	1,010	1,042	994	876	1,229	1,261	1,523	3/	2/	75	50
Jamaica	3/	3/	2/	2/	3/	3/	3/	3/				
<b>SOUTH AMERICA:</b>												
Argentina	1	9	28	30	1,000	887	832	818	599	7,983	23,148	24,250
Brazil	10	35	42	51	1,200	1,299	1,330	992	12,549	45,498	56,217	50,600
Chile	4/	4/	1	1	1,300	1,464	1,292	1,255	203	478	678	639
Venezuela	-	3	12	10	-	881	900	850	-	2,724	10,803	8,102
<b>EUROPE:</b>												
Austria	-	-	4/	4/	-	-	936	900	-	-	44	40
Western Germany	-	2/	6	6	-	3/	1,196	1,534	-	1,500	7,471	9,790
Italy	2	8	15	15	1,900	1,963	1,659	1,705	3,800	16,100	24,383	26,014
Spain	-	3/	1	1	-	3/	1,408	1,509	-	800	348	187
Switzerland	-	-	1	1	-	-	1,700	1,741	-	-	1,960	1,805
Other Europe (Incl. U.S.S.R.)	5	10	12	12	1,534	1,311	1,163	1,163	7,670	13,111	13,500	12,500
<b>AFRICA:</b>												
Kenya	2/	2/	6	2/	3/	539	700	610	2,267	2,697	4,306	220
Nyasaland	2/	2/	2/	2/	2/	2/	2/	2/	6	1,992	3,320	3,283
Tanganyika	2/	1	2	2	3/	450	440	440	3/	880	235	880
Uganda	1	1	1	1	1,200	1,233	1,126	1,343	430	514	573	654
Mauritius	-	3	4	4	-	383	400	400	-	1,150	2,000	2,000
Mozambique	-	1	5	5	-	400	437	430	-	230	2,000	2,500
Nigeria	-	13	14	14	400	460	571	343	1,500	5,986	7,985	7,606
Northern Rhodesia	4	13	173	173	509	634	699	697	24,623	82,382	120,874	120,558
Southern Rhodesia	46	130	173	173	509	634	699	697	24,623	82,382	120,874	120,558
Union of South Africa	2/	2/	2/	2/	3/	2/	2/	2/	2,715	21,425	16,793	12,301
Swaziland	-	2/	2/	2/	-	2/	2/	2/	-	410	-	-
Orinoco	-	-	-	-	-	-	-	-	-	-	-	-
<b>ASIA:</b>												
Iraq	-	-	3/	7	-	-	533	533	-	-	7,200	3,968
Turkey	-	-	1	1	-	-	680	650	-	-	800	800
Burma	-	4/	1	2	-	780	560	712	-	88	896	1,210
Ceylon	-	2	5	6	-	475	500	500	-	2,500	3,000	3,000
China	150	302	300	315	1,006	830	1,000	1,000	150,900	250,000	300,000	315,000
India	60	120	188	178	440	338	691	669	26,900	64,510	130,000	119,000
Indochina	-	4/	1	1	-	550	550	500	-	450	600	500
Indonesia	-	5/	2	62	-	5/	440	444	-	5/	777	27,558
Japan	46	58	109	121	1,616	1,500	1,420	1,724	74,340	86,887	154,745	207,997
Korea	15	13	27	30	1,456	1,400	1,140	1,067	21,859	18,990	30,787	32,000
Philippines	-	5/	7	10	-	5/	785	800	-	1,581	6,500	8,000
Republic	1	1	2	25	550	525	670	618	342	261	4,522	15,453
Taiwan	3	3	14	15	1,200	965	1,536	1,694	3,751	13,740	21,504	25,817
Thailand	3	29	60	59	280	300	367	376	900	8,200	22,046	22,071
<b>OCEANIA:</b>												
Australia	10	5	8	9	532	785	950	740	5,276	3,649	7,615	6,724
New Zealand	2	4	3	3	683	1,206	1,335	1,450	1,367	4,825	4,218	4,490
<b>TOTAL</b>	-	-	-	-	-	-	-	-	1,261,094	2,023,856	2,502,862	2,726,006

See footnotes at end of circular.

LIGHT AIR-CURED BURLEY TOBACCO: Estimated acreage, yield and production in specified countries, harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production				
	Average			Average			Average				
	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1954	1955 2/
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>											
Canada	9	8	4	1,195	1,183	1,432	10,749	10,040	4,470	4,470	6,500
Costa Rica	-	-	4/	-	-	400	-	-	-	-	5
El Salvador	-	-	4/	-	-	667	-	-	-	-	405
Guatemala	-	4/	4/	-	721	760	-	70	152	152	304
Mexico	4/	1	2	1,200	1,340	998	300	1,700	1,455	1,455	1,543
United States	372	433	326	839	1,277	1,585	315,826	552,736	667,172	667,172	519,915
Nicaragua	-	4/	4/	-	700	800	-	50	150	150	150
<b>SOUTH AMERICA:</b>											
Argentina	4/	4/	6/	638	500	6/	99	496	6/	6/	6/
Brazil	-	1	4	-	1,200	1,020	-	2,000	3,472	3,472	3,200
Chile	-	4/	4/	-	1,650	2,070	-	171	287	287	568
Venezuela	-	2	2	-	873	882	-	1,550	2,645	2,645	1,984
<b>EUROPE:</b>											
Austria	-	-	1	-	-	1,285	-	-	-	1,440	1,267
Western Germany	-	3/	7	-	3/	2,050	-	5,500	12,967	12,967	16,225
Italy	2	6	7	2,200	2,283	2,255	4,600	13,700	15,300	15,300	15,432
Spain	3/	3/	23	3/	3/	1,321	3,000	6,425	19,581	19,581	31,969
Switzerland	2/	2/	1	3/	3/	1,250	694	1,641	920	920	850
<b>AFRICA:</b>											
Nyasaland	-	2	3	-	475	600	-	1,025	1,949	1,949	2,016
French Morocco	1	1	2	800	1,100	1,187	500	878	3,748	3,748	3,086
Northern Rhodesia	2/	3/	3/	3/	3/	3/	10	205	105	105	157
<b>ASIA:</b>											
Iraq	-	-	4	-	-	2/	-	-	-	3,600	1,984
India	-	3	4	-	500	700	-	1,640	2,240	2,240	2,200
Japan	2	5	3	1,480	1,734	1,591	2,974	8,982	3,368	3,368	5,009
<b>OCEANIA:</b>											
New Zealand	-	4/	4/	-	1,200	1,335	-	100	11	11	10
<b>TOTAL</b>	-	-	-	-	-	-	338,752	608,909	745,081	745,081	614,779

See footnotes at end of circular.

OTHER LIGHT AIR-CURED TOBACCO: Estimated acreage, yield and production in specified countries, harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production			
	Average			Average			Average			
	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1935-39	1947-51	1954	1955 2/
	1,000 acres	1,000 acres	1,000 acres	pounds	pounds	pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA:										
United States	37	49	51	769	795	700	28,845	39,112	42,500	35,700
Maryland										
SOUTH AMERICA:										
Argentina	4	6	5	1,116	1,100	770	4,984	6,598	4,850	4,189
EUROPE:										
Italy	1	3	3	2,500	2,600	1,962	3,400	7,800	7,297	6,393
Maryland										
Western Germany	-	-	1	-	1,610	1,945	-	-	873	605
Spain										
Maryland	7/	7/	10	7/	7/	1,617	7/	7/	18,786	14,786
Switzerland	2/	2/	4/	3/	3/	1,700	582	1,407	44	39
Other Europe (Incl. U.S.S.R.)	60	63	63	1,076	871	873	64,557	54,897	55,000	55,000
AFRICA:										
Madagascar										
Maryland	17	11	19	750	567	445	12,764	6,240	8,377	8,350
Mauritius										
Amarello	4/	4/	4/	1,400	1,616	2,127	220	244	298	383
Nigeria	-	1	7	-	400	425	-	260	1,550	3,000
Union of South Africa	2/	2/	2/	2/	2/	2/	5,722	11,000	2,519	3,175
ASIA:										
Cyprus	-	2	4	-	450	350	-	903	1,434	1,400
Japan	-	-	6	-	1,471	1,633	-	-	9,880	10,021
Pakistan	7/	7/	5	7/	793	1,201	7/	7/	5,000	6,000
TOTAL	-	-	-	-	-	-	121,074	128,461	158,408	149,041

See footnotes at end of circular.

DARK AIR-CURED TOBACCO: Estimated acreage, yield and production in specified countries harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested				Yield per acre				Production			
	Average				Average				Average			
	1935-39	1947-51	1954	1955 2/	1935-39	1947-51	1954	1955 2/	1935-39	1947-51	1954	1955 2/
	acres	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>												
Canada												
Cigar	4	4	4	4	1,243	1,230	1,210	1,275	5,102	5,000	4,840	5,100
Other	5	3	2	2	1,060	1,051	1,126	1,140	6,089	2,759	2,294	2,280
Other												
El Salvador												
(Incl. cigar & shade)	1	1	4	1	650	625	631	373	700	452	175	239
Guatemala	5	6	6	6	382	563	490	556	1,760	3,519	3,043	3,449
Honduras												
Dark air & copan	7	11	14	9	606	686	430	430	4,500	7,795	6,000	4,000
Mexico	37	48	42	44	667	700	1,005	1,016	25,000	34,100	42,196	45,194
Nicaragua												
Chilcagre	1	1	2	2	800	415	750	750	800	400	1,500	1,500
Shade-grown	-	-	4	4	-	-	600	600	-	-	100	100
Panama	-	2	2	2	-	450	450	450	-	720	720	900
United States												
One sucker	21	17	15	13	844	1,138	1,406	1,489	18,959	19,228	20,250	19,955
Green River	19	10	8	7	838	1,082	1,400	1,400	15,788	11,147	10,640	10,360
Cigar filler	42	43	33	32	1,273	1,517	1,578	1,531	53,575	64,583	51,140	49,000
Cigar binder	34	40	29	31	1,462	1,636	1,634	1,430	47,836	61,065	47,717	44,555
Cigar wrapper	10	14	13	13	955	1,064	1,264	1,171	9,108	15,233	16,432	15,105
Perique	4	1	4	4	454	646	800	500	192	325	240	150
Dominican Republic												
Criollo & Orlor	25	45	47	52	985	1,050	883	770	24,625	47,178	41,525	45,532
Haiti	-	3	3	3	-	3	3	3	-	7,500	2,000	2,000
Jamaica												
Cigar	2	2	2	2	3	3	2	2	2	2	603	600
Native cow-congue	3	3	3	3	3	3	3	3	3	3	100	100
Puerto Rico												
Cigar filler	44	35	39	36	673	769	840	914	29,393	26,921	32,940	32,910
Chewing	-	-	1	1	-	-	840	925	-	-	1,200	1,100
<b>SOUTH AMERICA:</b>												
Argentina												
Native	20	42	44	40	914	917	843	892	18,187	37,049	37,478	35,274
Cigar, Bahia and Cuerda	3	7	1	1	1,015	934	713	1,004	3,045	6,541	882	992
Bolivia	3	3	3	3	700	700	676	700	2,500	2,100	2,126	2,100
Brazil												
Bahia cigar	80	99	95	87	950	565	712	720	76,600	56,000	67,672	62,679
Other	30	50	173	163	850	823	675	650	25,600	41,131	116,832	105,837
Twist	130	152	140	146	677	582	566	610	87,954	88,491	79,306	89,079
Chile												
Paraguay	7	6	5	5	1,850	1,773	1,638	1,950	12,024	11,171	7,982	9,793
Cigar	2	2	2	1	1,845	1,856	1,494	2,200	4,391	2,899	3,247	2,625
Colombia												
Native	(	(	(	(	(	(	(	(	(	(	(	(
Garcia	37	47	50	58	803	958	899	898	31,697	45,027	44,974	52,029
Cubita	(	(	(	(	(	(	(	(	(	(	(	(
Cigar	-	-	13	13	-	-	865	1,000	-	-	11,243	13,007
Paraguay												
Fuerte	6	3	4	5	741	1,250	964	990	4,448	4,400	3,858	4,960
Uruguay	1	1	1	1	860	967	1,129	1,125	1,254	957	837	835
Venezuela	10	3	2	2	825	604	770	770	7,700	1,950	1,543	1,543

EUROPE:									
Austria	-	4/	4/	-	1,529	1,489	-	269	280
Belgium	6	5	3	1,924	2,097	2,097	16,431	9,010	6,010
France	40	69	69	1,665	1,821	1,621	65,700	103,570	110,892
Legs	4	2	2	1,800	1,750	610	7,295	5,500	1,543
Other									
Western Germany									
Cigar-Havana and	3/	13	13	3/	2,670	2,300	41,000	33,411	29,700
Querdentheilner	2/	-	-	2/	-	-	33,355	14,182	-
Other									
Italy									
Cigar	1	7	3	1,500	1,308	1,330	1,600	10,000	4,519
Other	6	12	15	1,378	1,246	1,231	8,900	16,000	23,838
Spain									
Valencia	2/	20	15	2/	1,408	1,515	14,322	27,200	22,460
Cigar	-	1	1	-	844	844	-	626	626
Sweden	1	1	4/	1,735	1,650	1,600	1,061	859	500
Switzerland									
Nestrans, Brenta, Monte	1	1	1	1,000	1,900	1,988	1,000	1,866	1,715
Yugoslavia	4	9	10	1,122	1,115	780	4,490	7,155	7,716
Other Europe									
(Incl. U.S.S.R.)	319	364	364	1,122	930	875	357,647	318,550	318,550
AFRICA:									
Algeria	29	40	32	750	590	590	21,667	18,861	18,861
Belgian Congo	3/	3/	3/	3/	3/	3/	3/	1,950	2,000
Kenya	2/	2/	2/	2/	2/	2/	300	300	300
Tanganyika	3/	2/	2/	2/	2/	2/	501	197	520
Uganda	1	2	2	200	200	200	206	400	400
French Morocco									
Smuff	2/	1	1	2/	1,775	1,576	204	930	662
Madagascar									
Corse	2	1	1	800	447	447	1,400	950	330
Nigeria									
Nicotina tabacum	1	1	3	300	280	250	300	500	760
Nicotina rustica (peasant)	55	55	44	400	400	425	22,500	22,500	18,740
Tunisia									
Arbi	3/	3/	3/	3/	3/	3/	902	1,555	2,204
Souffi	2/	2/	2/	2/	2/	2/	360	1,543	1,102
Union of South Africa							15,160	13,676	14,160
ASIA:									
Iran	6	3	2	1,460	1,322	1,338	9,772	3,993	2,094
Tumbeki - water pipe	-	3/	2/	-	2/	2/	-	1,200	1,000
Iraq									
Lebanon	-	-	4/	-	520	528	-	113	115
Tombac									
Syria									
Tombac	1	1	1	800	805	889	820	800	642
Turkey	1	1	2	250	250	750	386	360	1,700
Burma	108	121	135	726	780	810	78,400	107,520	105,280
Ceylon (incl. cigar)									
China	10	6	6	620	560	500	6,200	3,420	3,000
India	501	500	500	1,026	1,000	850	514,003	500,000	480,000
Indochina	666	522	2/	770	712	2/	629,260	402,000	372,480
Indonesia	44	25	44	727	582	738	32,004	14,550	32,500
Pakistan	449	5/	491	532	2/	345	238,775	61,453	172,442
Other									
Philippine Republic	(	355	2	915	810	1,000	324,053	112,302	2,000
	(	67	63	(	970	1,111	(	65,000	70,000
TOTAL	175	100	91	466	498	415	81,950	49,677	41,188
	-	-	-	-	-	-	3,050,751	2,460,853	2,507,051

See footnotes at end of circular.

LIGHT SUN-CURED TOBACCO: Estimated acreage, yield and production in specified countries harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production		
	Average	1954	1955 2/	Average	1954	1955 2/	Average	1954	1955 2/
	1935-39 : 1,000 : acres	1947-51 : 1,000 : acres	1,000 : acres	1935-39 : pounds : pounds	1947-51 : pounds : pounds	1,000 : pounds : pounds	1935-39 : pounds : pounds	1947-51 : pounds : pounds	1,000 : pounds : pounds
<u>NORTH AMERICA:</u>									
Costa Rica	-	3	2	-	704	800	-	2,481	1,900
Mexico	13	37	44	921	1,098	731	12,200	40,046	34,467
<u>SOUTH AMERICA:</u>									
Paraguay	16	13	16	834	1,075	930	13,344	14,038	14,882
Flojo									
<u>EUROPE:</u>									
Spain	2/	1	1	2/	1,122	1,122	2/	2/	554
<u>AFRICA:</u>									
Algeria	20	28	34	660	690	590	13,000	16,500	20,182
<u>ASIA:</u>									
China 2/	491	525	525	1,022	1,048	1,000	501,818	550,000	525,000
India	191	167	2/	549	473	3/	104,840	79,000	85,000
Japan	44	66	56	1,621	1,505	1,807	71,366	112,223	101,838
Korea									
Native	31	31	33	1,145	1,293	1,049	35,465	40,090	35,000
Yanguiel		2	2	-	518	500	-	-	1,036
Pakistan	2/	10	12	2/	900	917	2/	2/	9,000
Philippine Republic	7/	7/	2	7/	2/	618	7/	7/	1,344
TOTAL	-	-	-	-	-	-	752,033	854,378	788,263
									829,667

See footnotes at end of circular.

DARK SUN-CURED TOBACCO: Estimated acreage, yield and production in specified countries, harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1954	1935-39	1947-51	1954	1935-39	1947-51	1954
	1,000 acres	1,000 acres	1,000 acres	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>									
United States	3	3	4	844	1,112	900	2,769	3,330	3,690
Cuba									4,095
Vuelta Abajo 10/ (wrapper, binder, filler)	42	51	64	468	603	880	19,669	30,749	56,348
Semi-Vuelta (filler)	6	8	7	365	450	894	2,188	3,606	6,261
Remedios (filler)	56	67	77	413	507	552	23,106	33,938	42,506
Partido (shade grown wrapper) 10/	2	3	3	680	762	1,073	1,364	2,287	3,232
Oriente (cigarette & chewing)	2	3	3	883	724	803	1,765	2,171	2,408
<b>AFRICA:</b>									
Algeria	7	7	4	600	700	500	4,000	4,900	1,984
Nyasaland	2/	2/	2/	2/	2/	2/	1,335	3,929	2,321
Mozambique	5/	1	1	385	450	400	467	385	220
Northern Rhodesia	3/	3/	3/	2/	3/	3/	60	74	30
<b>ASIA:</b>									
Iran									
Pipe	14	9	4	990	867	892	14,370	7,862	3,466
China	86	125	100	1,021	1,000	1,000	87,818	125,000	100,000
Pakistan	7/	2/	90	94	2/	944	2/	2/	85,000
Taiwan	1	1	-	1,500	1,000	-	2,210	520	-
Thailand	50	54	47	500	500	386	25,000	27,000	18,056
<b>TOTAL</b>	-	-	-	-	-	-	186,121	245,751	326,486
									344,360

See footnotes at end of circular

FIRE-CURED TOBACCO: Estimated acreage, yield and production in specified countries, harvested in calendar year 1955 with comparisons - farm sales weight 1/

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/	1935-39	1947-51	1955 2/
	acres	acres	acres	pounds	pounds	pounds	pounds	pounds	pounds
<b>NORTH AMERICA:</b>									
United States	23	11	10	810	1,165	1,060	18,804	13,005	10,600
Virginia fire-cured									
Kentucky-Tennessee	105	51	42	813	1,124	1,229	84,733	56,803	51,620
<b>SOUTH AMERICA:</b>									
Argentina	1	3	3/	880	824	3/	1,069	2,473	3/
<b>EUROPE:</b>									
Italy	25	37	17	1,596	1,378	1,260	39,900	51,400	24,030
Other Europe (Incl. U.S.S.R.)	1	1	1	800	875	900	511	874	900
<b>AFRICA:</b>									
Nyasaland	3/	3/	3/	3/	3/	3/	12,149	20,976	23,599
Tanganyika	2/	2/	2/	2/	2/	2/	367	1,920	1,867
Uganda	3	5	5	450	390	500	1,294	2,133	2,500
Southern Rhodesia	2	2	1	475	500	600	862	913	604
<b>ASIA:</b>									
Ceylon (chewing & snuff)	4	3	2	700	680	800	2,800	1,360	1,200
<b>TOTAL</b>	-	-	-	-	-	-	162,489	151,857	114,826
									109,840

See footnotes at end of circular.

ORIENTAL TOBACCO (including semi-oriental): Estimated acreage, yield and production in specified countries, harvested in calendar year 1955 with comparisons -  
farm sales weight <sup>1/</sup>

Continent and country	Acreage harvested			Yield per acre			Production		
	Average			Average			Average		
	1935-39	1947-51	1955 <sup>2/</sup>	1935-39	1947-51	1955 <sup>2/</sup>	1935-39	1947-51	1955 <sup>2/</sup>
	1,000 acres	1,000 acres	1,000 acres	pounds	pounds	pounds	1,000 pounds	1,000 pounds	1,000 pounds
<b>SOUTH AMERICA:</b>									
Argentina	-	-	4/	-	-	556	-	-	67
<b>EUROPE:</b>									
Greece	-	-	-	-	-	-	-	-	-
Turkish	226	213	320	589	531	530	132,819	113,320	148,750
Italy	40	69	55	725	762	532	28,300	52,900	29,102
Yugoslavia	12	30	33	1,025	665	729	12,348	19,675	20,495
Oriental (Prelep)	23	50	56	895	655	732	20,572	32,792	35,131
Semi-oriental (Jaka, Ravnjak, France, Otlija)	327	331	341	935	850	805	305,846	281,615	274,350
Other Europe (Incl. U.S.S.R.)									
<b>AFRICA:</b>									
Northern Rhodesia	2/	2/	2/	2/	2/	2/	15	391	100
Southern Rhodesia	2	4	4/	353	386	350	665	1,445	200
Union of South Africa	2/	2/	2/	2/	2/	2/	775	910	830
<b>ASIA:</b>									
Cyprus	-	-	-	-	-	-	-	-	-
Latakia - fumigated <sup>11/</sup>	1	1	1	-	500	340	-	295	200
Iran	15	28	40	700	615	558	10,400	17,500	22,571
Cigarette	-	14	7	-	-	533	-	-	3,969
Iraq	-	-	-	-	-	-	-	-	-
Lebanon	2	1	4/	290	500	582	780	400	170
Latakia and other	2	4	7	785	750	721	1,570	3,125	4,560
Syria	5	7	3	875	875	768	4,300	6,100	5,006
Abu Riha-Latakia <sup>11/</sup>	-	-	2	-	-	644	-	-	2,295
Samsun and Baffra	4/	4/	4/	800	800	918	30	20	1,404
Hasan Kayf	5	8	12	620	580	692	3,100	4,650	7,925
Semi-oriental	-	-	4/	-	-	769	4/	4/	234
Shak al Bent	193	303	381	663	639	671	128,119	193,749	255,734
Frinsawi (Kasab)	-	-	1	-	-	-	-	-	720
Hasan Kayf	7/	7/	11	7/	7/	909	7/	7/	10,000
Pakistan	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-	-	649,639	728,887	849,646

<sup>1/</sup> Farm sales weight is about 10 percent above average dry weight which is normally reported in export trade statistics. <sup>2/</sup> Preliminary. <sup>3/</sup> Not available.  
<sup>4/</sup> Less than 500 acres. <sup>5/</sup> Less than a 5-year average. <sup>6/</sup> Included in other light air-cured. <sup>7/</sup> If any, included in dark air-cured. <sup>8/</sup> May include some light air-cured. <sup>9/</sup> Includes some sun-cured that is also partially fire-cured. <sup>10/</sup> Includes shade-grown wrapper which is fire-cured. <sup>11/</sup> Latakia - fire-cured.

Foreign Agricultural Service. Official estimates of foreign countries, reports from Agricultural Attaches and other U. S. representatives abroad, results of office research and other information.

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